

**New York University**

**Revenue Re-Engineering Task Force**

Final Report

June 2009

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## Executive Summary

NYU has multiple diverse opportunities for generating new revenues. Beginning in April 2008, the Revenue Re-Engineering Task Force explored a breadth of areas for their revenue-generating potential. Ultimately the Task Force focused on four major areas of emphasis: clinical practice, education programs, facilities, and invention, innovation, and entrepreneurship. Since individual schools are already actively engaged in revenue-generating initiatives, the Task Force concentrated primarily on University-wide opportunities, drawing on strengths across and between schools. We hope that some of the ideas generated will also motivate new initiatives within individual schools.

Clinical practice (providing a service for a fee) can be expanded to new areas beyond those like the nurse practitioner faculty practice and Steinhardt's pilot testing services. These expanded areas could include occupational, physical, and speech therapy; industry-supported capstone projects; and a University-wide consulting business. Each offers possibilities of generating new income and the potential for students to be actively engaged, reinforcing the relevance and impact of their education.

Education programs are undoubtedly the heart of NYU's enterprise. Capitalizing on its brand and emphasis on the Global Network University, NYU is uniquely poised to create and offer innovative programs. Cross-school collaborations can create unique courses of study which will serve students ranging from full-time to executive/corporate-based.

Revenue generating possibilities from NYU's extensive and often architecturally appealing physical facilities have not been fully exploited. Revenues could be generated by policy changes relating to use and charges for student housing between semesters, especially during summers, and for non-educational use of facilities (e.g., corporate functions, conferences, filming, etc.).

Invention, innovation, and entrepreneurship thrives in some areas but is not embraced universally throughout the University. It offers the potential for high-payoff revenues, but does so with the highest risk and relatively long payoff.

Barriers to realizing additional revenues include those related to NYU's culture as well as its administrative and budgetary policies. Though challenging, none seem insurmountable and there are notable successes that have overcome these barriers. These successes include the Global Master's Program in Public Health, revenues generated by faculty inventions and startups, and expanded educational programs.

Specific recommendations provided emphasize the breadth of possibilities that warrant further exploration. Together they encourage the creation of an "entrepreneurial ecosystem" which supports creative, innovative, and profitable initiatives that emphasize the relevance and impact of the academic enterprise.

## I. Introduction: Task Force Process

The Revenue Re-Engineering Task Force was created in April 2008 by Executive Vice President Michael Alfano and Provost David McLaughlin to focus primarily on the income-generating capacity of NYU. This initiative complements other efforts focused on cost-savings, improved efficiencies, and cost-effective measures implemented by NYU due to its ever-growing aspiration for academic excellence and society's concern regarding ever escalating costs of education.

The Revenue Re-Engineering Task Force was charged with undertaking a comprehensive review of potential sources of new revenue, expansion of current revenue streams, and identifying barriers that preclude capitalizing on opportunities. All aspects of University operations were considered, including both efficiencies in current revenue streams and prospects for creating new ones. Both long- and short-term possibilities were considered.

Dr. Suzanne England, then Dean of the School of Social Work was selected to chair the Task Force. Unfortunately academic demands prevented her from continuing and Task Force member Dianne Rekow, now Senior Vice Provost for Engineering and Technology for NYU and Provost for Polytechnic Institute of NYU, agreed to serve in her place. Anthony Jiga, Vice President for Budget and Planning provided staff support and was an important resource of budget-related information. Other members of the Task Force were drawn from across the schools and included: Erich Dietrich, Steinhardt's Director of Academic Initiatives and Global Programs; Dorothy Durkin, SCPS' Associate Dean for Strategic Development and Marketing; Abram Goldfinger, Director of the Office of Industrial Liaison; Joe Kachurak, Stern's Chief Financial Officer; Tyra Liebmann, Wagner's Associate Dean for Student Affairs and Administration; Alison Moppett, the Law School's Associate Director in the Department of Residence Services; Bruce Niswander, Director of Poly's BEST Center; Irene Robling, Courant 's Associate Director of Administration and Finance; Jeffrey Simonoff, Professor of Statistics at Stern; and Michael Summers, FAS' Director of Administration – Morse Academic Plan.

The Task Force met on a regular basis and identified a number of promising areas of opportunity. Interestingly, during the same time period, the downturn in the United States economy accelerated. Demand to maintain NYU's operations in this economic environment necessarily precluded some considerations and some agility that the University may previously have had was severely constrained. There were, however, four areas of promise that became the focus for in-depth analysis and a sub-task force was created to pursue each of these options. The areas of promise and their sub-task force leadership were:

- Expanding clinical practice (Sub-Task Force Chair: Tyra Liebmann)
- New certificate training and executive education programs (Sub-Task Force Chair: Dorothy Durkin)
- Using facilities as a revenue generator (Sub-Task Force Chair: Alison Moppett)
- Invention, innovation, and entrepreneurship (Sub-Task Force Chair: Irene Robling)

Final reports of each of the task forces are found in Appendices B, C, D, and E respectively.

The Task Force acknowledges that a tremendous amount of effort to generate new revenues is already underway within individual schools. Some of this effort is necessarily related to the re-engineering initiatives. ***The primary focus of the Task Force was on broader, University-wide opportunities, complementing the school-based initiatives and capitalizing on integrating the intellectual and physical resources of an already great University.*** The Task Force identified multiple opportunities but, because of the breadth of possibilities, did not systematically evaluate the magnitude of the new revenues each might generate.

This report first identifies overarching themes relating to possibilities for increasing revenues and then provides a brief summary of the opportunities identified by each of the Sub-Task Forces. Barriers to realizing the full potential of these opportunities are identified. Despite these barriers, there are notable successes and these are reviewed. Finally, recommendations for attaining additional revenues are delineated.

The Task Force appreciated the opportunity to explore possibilities for generating new revenues, particularly in the prevailing climate of economic contraction and budget cuts. As Tyra Liebmann, one of our members remarked, “Our University is a vast and complicated place, with many parts in constant motion. It was fun to peer into less familiar areas and observe the tremendous variety, energy, and potential across schools.”

## **II. Overarching Themes**

A lively entrepreneurial spirit exists within NYU’s schools, though its focus is often contained within the confines of a single school. One of the strengths of NYU is the fierce independence of its schools. Each has a great deal of freedom to pursue its academic excellence and the revenues it can generate. But, as we shall see, this independence, also limits collaborations between and across schools. And it is the possibility of expanded collaboration that holds promise for both intellectual and monetary breakthroughs.

The challenge for a robust university, particularly in this economic environment, is to create an environment where investments support creative, innovative, and profitable initiatives. With its vast intellectual and physical resources, NYU is well poised to create such an environment which crosses school boundaries and which might be termed an “entrepreneurial ecosystem”. In this ecosystem, existing programs expand, innovative ideas flourish, and new pathways for generating revenues are pioneered.

### III. Opportunities

An array of possible opportunities for generating new revenues was considered. Of these, four sets were judged to be most promising, were examined in more depth, and are reported here. They are: clinical practice, education programs, facilities, and invention, innovation, and entrepreneurship.

**Clinical Practice.** NYU's schools hold the potential for creating and/or expanding clinical practices. In this context, "clinic" is defined as a providing a service to a person or entity for which a fee is paid. Among the many opportunities explored were the nurse practitioner faculty practice; testing services like those for giftedness, learning and emotional development, and ADHD; industry-supported capstone projects; and internal consultancies capitalizing on the considerable expertise of NYU faculty and staff.

Each of the models described below can be a potential revenue source for the schools, clinicians, and University. Each also serves as an important platform for training students.

The **nurse practitioner faculty practice** within the College of Nursing offers primary and prevention-focused care. Initiated in September of 2006, it is located within the physical facilities of the College of Dentistry, emphasizing the important linkage between oral and systemic health. As the shortage of primary care physicians becomes more acute, the value of nurse practitioners, capable of diagnosing, prescribing, and treating patients, will become increasingly more apparent.

The business model for this clinical practice provides a revenue stream for both the practice/school and the clinician. It is not, however, without challenges. Credentialing of providers by commercial insurance plans can be a slow and frustrating process, though this practice has made excellent progress. Back-office operations, including billing and marketing, are required. Operating efficiencies and profitability are not guaranteed within the framework and current patient volume.

A second possibility for clinical practice revolves around **testing services**. The American Psychological Association will accredit internships for training professionals to administer testing for various factors including giftedness, learning and emotional development, and ADHD. The Steinhardt School of Culture, Education and Human Development has initiated a two-stage pilot testing services program. The first stage is a training module, providing graduate students with experience in testing that would be led by licensed practitioners. The second stage will be a fully accredited internship open to NYU students as well as professionals from around the world. Like the nurse practitioner faculty practice, credentialing and back-office operations are required, and operating efficiencies and profitability, while promising, are not guaranteed.

Models like those used for the nurse practitioner or testing services clinics might also be feasible in many other areas including occupational therapy, physical therapy, speech therapy, nutritional counseling, and a host of others.

Learning-in-action capstone projects are central to many undergraduate and graduate programs. Students, often working in teams, address challenges and identify solutions in a practical business, government, or nonprofit organizational setting. The capstone contributes to the student's education

as well as the public good. The Wagner School generates revenues through **industry-supported capstone projects**. A client pays a modest fee when a project they propose is accepted. The School matches the interest and expertise of students with those client-defined projects. A similar arrangement is commonly employed for university-based corporate-sponsored research. Poly's Center for Advanced Technology in Telecommunications (CATT) is one example of this arrangement. A company pays a partnership fee in exchange for faculty and students' research into the company-posed question. CATT's 26 years of continuous funding attests to the potential longevity of this kind of arrangement.

NYU's reputation as a global network university and a "private university in the public service" could be highlighted by an **internal consulting business**. Drawing on the considerable intellectual resources of the various schools, a team of consultants could serve as fee-for-service project consultants. By way of example, suppose a startup company needed expertise in cutting-edge web design and legal advice. Consultants from Courant, Tisch School of the Arts, and the Law School could be engaged. Another example might be a situation where a group in a location hindered by poor infrastructure along with lack of industry expertise and viable financing options wanted to create a dental facility. An NYU project team could be created from faculty and administrators from the College of Dentistry and Wagner, Stern, and Law Schools. Together they would bring dental, financing, regulatory, and international development knowledge to the table, ultimately creating appropriate financing and implementation models.

An internal consulting business would create a potential for new revenues – and a forum for inter-school collaboration that could lead to still other initiatives. While many faculty members engage in consulting, they generally do so as individual consultants. There may be expanded opportunities from consulting through a group structure. Through this mechanism the opportunity to consult could also be extended to the NYU's many talented administrators. Depending on the business model employed, revenues generated by this approach could provide a source of additional performance-based compensation and professional development. This approach has potential application to opportunities in certificate training and executive education as well as in invention, innovation, and entrepreneurship described below.

Crafting and implementing this opportunity would require the coordination of a myriad of logistical details and could exacerbate the frustrations shared by faculty and administrators alike in juggling competing demands. The Task Force did not perform any due diligence to determine whether other universities have tried and, more importantly, succeeded in similar ventures.

Expanding clinical practice by providing services for a fee offers intriguing opportunities to leverage the noteworthy skills and recognized brand of NYU. Each of the types of opportunities described by the Task Force can serve as a potential revenue source which could be valuable to the University and potentially also provide supplemental faculty compensation (and in some cases administrator compensation). All, except perhaps the internal consulting business, can serve as a training platform for students, reinforcing the relevance and potential impact of their coursework.

There are vulnerabilities in each of the opportunities. Some, like the nurse practitioner clinic, require space and facilities investment, considerable time for credentialing, and costs associated with continuing back-office operations such as billing and marketing. Others are less investment-intense but have not yet been tried and require a paradigm shift in pedagogical approaches.

**Education Programs.** NYU already offers an array of educational and training opportunities including certificate training, executive education programs as well as intersession and summer offerings. Expansion in each area holds promise for generating new revenues.

**Certificate Training and Executive Education** has been and remains a great source of revenues. Demand for certificates and executive training is dynamic and in large measure countercyclical to the economy. A number of already-approved Advanced Professional Certificate programs could be expanded and/or re-invigorated. In New York State, gaining approval for graduate certificate and advanced professional certificates is relatively easier and faster than for new degree programs. The programs relevant in the current economic climate may provide that extra credential which could be a critical distinction in a tight job market. NYU already capitalizes on many of the approaches to these programs. Stern and SCPS both run successful non-degree education programs. Stern's open enrollment and custom programs have generated substantial revenues. Open enrollment executive education programs are priced at approximately \$2500 per person for a two-day program. Custom programs, particularly those aimed at senior executives, can be priced as high as \$30,000-50,000 per day in addition to custom design charges of \$6000 per day.

While certificate training and executive education programs are already successful on many fronts, different approaches may make them even stronger. These approaches could include hybrid programs integrating different delivery modes, combined degree-certificate programs, utilization of intersession and summer times, tailoring and delivering corporate-specific programs, and specialized conferences and course offerings.

**Hybrid programs**, combining on-line and in-class environments, are gaining popularity and could become an important revenue source. They permit students to tailor their education around their time, lives, and interests, permitting them to study on campus some semesters and off campus during others. The on-line aspect reinforces the "Global Network University" concept and capitalizes on NYU's powerful worldwide brand recognition. It also alleviates pressures for classroom space and housing. The Law School already offers an Executive Masters in Law through its graduate tax program distance education initiative. Poly has begun an enterprise learning initiative fashioned after success at Steven's Institute. Potential to generate new revenues through hybrid programs spans from undergraduate courses to graduate certificates to master's programs.

**Combined degree-certificate programs** offer the potential to expand a student's credentials within a tightened time frame. This combined approach may capture a new cohort of students. Leaders at Wagner, Tisch, Courant, SCPS, and Poly are exploring an array of options. Wagner is initiating a 2+2 program, permitting students to earn a professional certificate in conjunction with a master's degree. New NYU partners in this initiative would be welcome.

There is an impressive dynamic already on-going throughout the University and genuine willingness to overcome intrinsic barriers. Enormous success can come from this current climate of readiness to develop new collaborations and programs. As careers change – merging, morphing, becoming more complex or sometimes more niche – the potential for more dual and cross-collaborative programs continually increases.

Expanding the academic year to include **intersessions** in January and May has increased student's access to courses and provides a new revenue stream. The success of this approach is already evident by the decision to shift the beginning of the spring semester by one week to permit a three-week January intersession. In January 2009, the undergraduate winter intersession offered 29 courses, enrolled 342 students, and produced revenue of \$1.3 million. This compares with 17 courses, 190 enrolled students, and revenue of \$0.7 million in January of 2008. In parallel, intersession courses at the graduate level have expanded significantly, now including opportunities both in New York and abroad.

**Summer** has generally been considered an “off” time at NYU, but the appeal of the City is a powerful attracter of non-NYU students (“Spring in New York”) as well as undergraduate and graduate students wishing to accelerate their programs. Unlike many peer institutions, NYU does not currently offer an easy, one-stop *residential* summer option for high school students (NYU's Pre-College program is not residential). Stern has successfully used summer and modular course offerings. Steinhardt's Fast-Track option has created a new annual intake cohort of graduate students. Both programs suggest the value of capitalizing on the summer time.

Training programs tailored to **specific corporate** needs are yet another potential source of revenues. These might be tailored to multiple corporations engaged in a common industry sector (e.g., a course in smart grid creation for energy companies). While there are courses of this sort already offered, NYU's breadth and depth of expertise could generate a new emphasis, particularly if it were to draw from across traditional discipline and/or school boundaries. For instance, the University may wish to propose the development of a Master of Professional Studies in some aspects of business tailored to the corporate market. Interdisciplinary cross-school offerings could distinguish NYU from other schools' programs. A coordinated effort would require an investment in developing the target market.

**Specialized conferences and courses** are already providing revenues but could be expanded. SCPS's Institute on Federal Taxation, now in its 68<sup>th</sup> year, is one of many examples drawing mid- and high-level executives to NYU. Stern also has many initiatives of this type. The School of Medicine is hosting the 6<sup>th</sup> annual Sports Medicine Imaging Conference. Specialty training in new clinical techniques (e.g., tooth implant placement and restoration) is common. Many fields require continuing education to maintain licensure. The School of Medicine and College of Dentistry already have robust continuing education programs that generate substantial revenues. Wagner offers an online Budgeting for Clinicians course which awards continuing medical education credit upon completion. Delivery of these courses can capitalize on hybrid and on-line delivery. There may be untapped opportunities for other schools to expand their emphasis in this area.

While generating new revenues through certificates and executive education is not new, expansions with new courses and approaches will necessarily add to the workload of the faculty. Careful market research for anticipating market opportunities is a critical element of future success. SCPS's considerable skill in such strategic research and close ties to the career needs of New Yorkers and industry is a valuable resource. Capitalizing on New York City's extraordinary density of academics and practitioners, NYU is uniquely poised to provide relevant educational programs, tying together theory and practice in one of the greatest cities in the world where numbers and scale of finance and nonprofit industries is unparalleled.

**Facilities as a Revenue Generator.** NYU is thought to be among the five largest landholders in the city. The wealth of our physical facilities was briefly explored as a potential revenue generator. Suggestions that surfaced included opportunities in housing, space utilization, asset management, parking, and expanding activities in suburban locations.

NYU's investment in and **utilization of housing** has been scrutinized by other task forces. Our suggestions relate to possible opportunities during "swing times, those times between semesters when occupancy may be low and/or historically no fees have been charged. In general, University Housing does not currently bill summer residents with confirmed academic year housing assignments who remain in the housing during the three-week summer-fall transition period (the Law School does bill for this period). Similarly, students might be provided the opportunity to request to arrive early for the academic year and be billed a nightly fee during this time. Summer housing accommodations are currently utilized by NYU students, students from other Universities taking summer classes at NYU, and people in New York for internships, etc. It may be appropriate to consider the institution of a nonrefundable application/processing fee for all summer housing applicants who are not NYU students.

The Summer Housing Program currently hosts conference groups. However, hosting summer camps and theater, athletic, and science groups could be an area for possible growth. Summer Camp programs could utilize space (Kimmel, Coles, Palladium, Theaters, etc) and may also find NYU's housing an appealing opportunity. Along with summer camps, NYU may investigate possibilities for new revenues generated by *sponsoring* camps during school breaks. (A number of known camp programs are identified in the Sub Task Force Report in Appendix D.) Poly historically has used this mechanism for a teenaged theater group, generating over \$200,000/year from otherwise unused dormitory space. A complementary advantage to increasing the number of camp opportunities could be that NYU students could serve as counselors at camps in an area of their interest. Properly managed, summer and school break camps may also serve to enhance NYU's relationship with the neighborhood.

The convenience and, in some cases, architectural beauty of many of **NYU's spaces** make them appealing **for non-educational activities**. These might include conferences, corporate functions, filming, and weddings. Various facilities can be arranged for internal functions for a competitive fee, assuming that the function does not conflict with educational usage of the space. Advice from tax counsel must be obtained to ensure that the proposed rental activity would not trigger a New York City real estate tax on University-owned building or generate federal unrelated business income taxes.

Current policies often discourage rather than encourage utilization by outside groups. In one case, a German-American coalition of energy experts, including experts from Poly, sought to use a conference room and adjacent breakout rooms for two days during times the space was not otherwise scheduled for use. Before agreement could be reached approximately 1 full week of personnel staff time was expended, primarily around discussions of who could or could not fill in the necessary forms to reserve the rooms.

A straightforward opportunity for revenue growth is to **fill under-used classrooms**. One approach to this is to supplement current academic programs with small degree and certificate programs which include courses that are not usually filled. These likely would include courses across several schools. Costs to pursue these are low and can be scaled to fill empty chairs in current classes and classrooms unused at various times. By permitting a few additional students to take a class, revenues are added at no significant cost to the University. The opportunity to fill empty classrooms is more complex and may involve adding more faculty members. By creating innovative programs that cross school boundaries, it is likely that NYU could appeal to a new cohort of students.

Many courses are offered off-campus at **suburban sites**. The Silver School of Social Work's courses offered at host campuses in Westchester and Rockland Counties and on Staten Island are quite profitable, netting several hundred thousand dollars each annually. Since the fall of 2007, Stern has offered an EMBA program on the SUNY Purchase campus where its enrollment and revenues have steadily grown over time. Poly has had similar experience with its Westchester and Long Island-based training programs. Integration of facilities – as well as programs – might be both cost effective and generate even more new revenues.

NYU's **asset management recycling program** offers an array of relocated and donated used furniture and equipment. Last academic year, nearly 1500 items were listed. Many of these are relocated within NYU or donated to various non-profit groups, but many remain unneeded within NYU. The cost-effectiveness of offering these items for sale on e-Bay or other auction sites has been explored and was not found to be promising.

**Parking** may be among the most valued commodities for everyone with a car in New York City. Parking rates at NYU-owned parking garages are currently below market and customers associated with NYU are charged a more advantageous rate than customers not associated with NYU. The added revenues of different pricing strategies may be worth exploring. For instance, NYU parking garage rates could be set at the market rate and customers associated with NYU billed at 75% of market or at the market rate.

Another option briefly explored was **marketing library resources** (both digital and physical) to other education institutions. Upon review by the Dean of Libraries, this option was not deemed to be cost-effective within current policies.

**Invention, Innovation, and Entrepreneurship (i<sup>2</sup>e).** The i<sup>2</sup>e Sub-Task Force concentrated on investigating possibilities for commercialization of ideas generated from the academic and scientific activities of faculty, students, and recent alumni. The focus was on creating new or enhanced revenue streams through the promotion of entrepreneurial activities of both existing and new approaches and mechanisms.

A number of structures are in place to support entrepreneurial activities. The **Office of Industrial Liaison** serves both the School of Medicine and the Square, managing activities relating to the protection and commercial promotion of inventions ( <http://oil.med.nyu.edu/>). This web address, linked to the med school, may not suggest to outside viewers that this service extends to researchers at the Square. This office has been successful in licensing a number of inventions and has created 40 new companies since the early 90's, 16 of which were formed within the last 3 years.

Stern's Berkley Center for Entrepreneurial Studies sponsors an **annual business plan competition** to promote and support entrepreneurs as they create new ventures. The year-long program surrounding the competition includes seminars, workshops, and individualized feedback from mentors and venture capitalists. The Rennert Prize of \$75,000 is awarded from approximately 100 entries. A \$100,000 Satter Family Social Venture Prize is complemented by special training and consulting opportunities. These prizes can be (and often are) shared among two or more entrants. These competitions are open to graduate students across the University, with the hope of uniting innovations with the business acumen of the Stern community.

The Catherine B. Reynolds Foundation Program in Social Entrepreneurship, a program serving all schools and housed within Wagner, focuses on realizing effective and lasting change through innovative business with a social purpose. The program works toward "pattern-breaking change to address intractable social problems in ways that are sustainable and scalable to a larger population"<sup>1</sup>. Its "Be a Changemaker" **challenge plans** are critically reviewed by a team of judges composed of New York community leaders from business and social sectors.

In addition to the winning proposals, other ideas generated through these competitions could lead to interesting and potentially profitable investments. However, pursuing these ideas would require investment funding that is not currently available. It may also be appropriate to re-assess the University's policies for sharing in the potential success of ventures undertaken by students or alumni.

**Seed funds**, available through a number of programs are available to support research activities and educational initiatives. These funds could lead to new products or become the platform upon which a new company might be formed. One of the most profitable of these investments is the School of Medicine's Applied Research Fund. A series of \$75,000 investments has a 10:1 return on investment. There seems to be no centralized assessment of value added from these the investments across schools. If there were, a more informed investment strategy might be achievable.

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<sup>1</sup> Paul Light, Paulette Goddard Professor of Public Service, NYU Wagner. See <http://www.nyu.edu/reynolds/social/index.flash.html>.

Poly's Brooklyn Enterprise on Science and Technology (BEST) Center provides opportunities for newly formed businesses to use student and faculty resources as well as space at its **incubator/business accelerator** locations in Brooklyn and Manhattan. NYU's partnership in the incubators could be a source of new equity revenues in the coming years.

**Despite these structures, the Task Force felt that in general the prevailing culture at NYU does not widely support entrepreneurial activities. No system-wide "entrepreneurial ecosystem" exists.** Both barriers to and recommendations for enhancing entrepreneurial activities are provided below.

#### IV. Barriers to Realizing Additional Revenues

Many opportunities hold promise for realizing additional revenues. As seen above, they span an array of possibilities ranging from somewhat modest changes in education approaches to major shifts in strategy. Not surprisingly, a number of barriers that discouraged capitalizing on these possibilities were identified. The barriers include aspects of the prevailing NYU culture itself, as well as administrative and budgetary policies that serve as disincentives.

**NYU Culture.** NYU's schools are fiercely proud of their **independence**. This independence carries both advantages and disadvantages. A major advantage is the flexibility of each school to create new programs and engage in entrepreneurial activities drawn from its internal resources. Much of NYU's reputation has grown from the innovations of its schools. Yet there is much potential that is lost because of this independence.

There are **few incentives** for across- or between-school initiatives for revenue growth. New programs that cross traditional school (or sometimes even departmental) boundaries typically require a dedicated "champion" for the program – and that champion is deemed to need a great deal of fortitude. One pithy statement by a Task Force member was that "it is easier to create a new program with an institute in Switzerland than it is to create a new program with another NYU school"!

The schools' independence also makes **sharing data between schools difficult**. During the course of the meeting discussions, it was remarkable how many times one Task Force member discovered valuable information from another member. These ranged from information about changing summer enrollments to discovery of nearly identical courses simultaneously offered in different schools, introducing unknown internal competition and wasting resources when we could be collaborating and creating interesting fare.

It is difficult to know the **breadth of the remarkable expertise** available at NYU. This inhibits developing new educational and training programs as well as finding collaborators for research or consulting initiatives. Librarians at the School of Medicine and College of Dentistry have eased this challenge through a resource called "find a researcher" (<http://findaresearcher.med.nyu.edu/>). This searchable data base of faculty authored articles and biosketches of medical and dental faculty permits quick

discovery of potential collaborators. A similar resource incorporating all researchers could facilitate the creation of cross-disciplinary teams for shared educational and research ventures.

As noted above, the consensus of the Task Force is that in general the prevailing culture at NYU does not widely support **entrepreneurial activities**. There is no University-wide champion encouraging commercialization through startups. Faculty members are generally left to their own devices to find these outlets but there are few, if any, rewards for doing so. The tenure review process does not place high value on these activities. In fact, they are often considered detractors from the educational enterprise rather than examples of relevance and impact of knowledge. There is no system supporting the activities, as might be provided by an internal consulting business or a pro-bono alumni group like that at MIT<sup>2</sup>. Indeed, despite web access to the policies and procedures for moving ideas through the Office of Industrial Liaison, the Task Force felt that few faculty members knew of or understood either. Collaboration with Poly's Brooklyn Enterprise on Science and Technology (BEST) Center, with sites now in Brooklyn and on Varick Street, offers access to commercialization resources, mentoring and networking services, and access to students and faculty supporting fledgling companies. It also provides specialized intellectual resources to both new and established companies. NYU may wish to partner in these incubator/business accelerator initiatives.

Courses offered during the summer and intersessions could create significant revenues, but these periods are generally valued as research and "think" time by the faculty. Changing attitudes and practices is not likely to be a trivial hurdle. The teaching load for faculty during the fall and spring semesters, based on anticipated protected research time in the summer, may require adjustment and/or addition of more faculty. There may also be implications in the types of contracts that are offered to faculty. This same care should be paid by schools and the University administration to setting and achieving enrollment targets for intersessions, Spring in New York, and summer sessions as is currently given to Fall and Spring enrollment planning.

In addition to the prevailing cultural barriers, there are both administrative and budgetary barriers.

**Administrative Barriers.** Like cultural barriers, administrative policies can inhibit the creation of new revenue-generating opportunities. Among these barriers are limitations in student/customer service orientation, differences in standards and practices between schools, leveraging and management of seed fund initiatives, and limited support services for and recognition of the value of start-up activities.

Dual degree programs hold great promise and are increasing in demand. Several intra-university programs exist, including dual degree, accelerated undergraduate and graduate degrees, and degree plus certificate programs. In these, students often take classes offered by different schools. For example, students in Courant's MS in Information Systems take five courses at Stern. Yet when enrolled in a dual degree program, students are required to enroll separately in each school. There is **little system-wide customer (student) service orientation** for these programs.

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<sup>2</sup> [http://entrepreneurship.mit.edu/Downloads/Entrepreneurial\\_Impact\\_The\\_Role\\_of\\_MIT.pdf](http://entrepreneurship.mit.edu/Downloads/Entrepreneurial_Impact_The_Role_of_MIT.pdf)

Another barrier to creating dual-degree programs is ***differences in standards and practices*** between schools. These can include credit hours, tuition, and utilization of full-time, part-time, and adjunct faculty.

Many schools invest ***seed funds*** for new initiatives. There are few incentives to leverage funding between schools. There does not seem to be a systematic analysis to evaluate the impact and leveraging from these investments. Without such a mechanism some opportunities for informed future investments may be lost.

Entrepreneurial initiatives often need ***support services*** to survive and thrive. The Office of Industrial Liaison provides linkages to companies for licensing arrangements and has engaged in some start-up companies. However, a more robust system of matching innovators with investors and providing business skills and resources seems to be needed. Some of these could be developed through collaborations within the University with Stern or Poly.

Potential for ***conflict of interest*** between government-funded research and equipment and entrepreneurial activities diminish the enthusiasm of researchers to pursue complementary innovations. This is further exacerbated by a lack of recognition in the ***tenure and performance review processes*** for commercialization-related activities. Strong system-wide encouragement and rewards for entrepreneurial initiatives could likely overcome this barrier.

**Budgetary Policy Barriers.** A number of budgetary policies were identified as barriers to University-wide entrepreneurship and disincentives to generating new revenues. Among these are balance of trade of tuition revenues, policies for sharing royalties and licensing, and over-head allocation.

The current ***balance of trade*** rules for tuition inhibit the development of new and utilization of existing cross-school programs/degrees. This is particularly true for graduate programs where 100% of the tuition goes to the teaching school. This model offers little, if any incentive, for schools to encourage students to move beyond the boundaries of their home school; yet as discussed by the certificate training and executive education programs Sub-Task Force, the multi-school initiatives offer a promising potential for new revenues. It was the sense of the Task Force that deans ought to be allowed to strike their own agreements regarding tuition sharing in joint programs, subject to review by the Provost.

The University's ***sharing of royalties and licensing*** income provides incentives for faculty, departments, and schools that are comparable or better than those of other universities. However, collaboration is deemed to dilute income streams from new initiatives. This could be particularly troubling with subvention-based schools collaborating with non-subvention schools in the revenue distribution. No incentives are currently in place for encouraging and rewarding cross-disciplinary entrepreneurial, revenue-generative initiatives.

Uncertainty about budgetary policies for ***allocating university plant and overhead expenses*** to new revenue-generating ventures inhibits entrepreneurship. Clarification of how new revenues will be shared and the calculation of net yield to the schools could eliminate this barrier.

Happily, one change in budgetary policies has removed at least one barrier. Until this year, the University's budget policy required most schools to share approximately 50% of any new revenues with the University under a policy known as "prospective surplus share".

## v. Notable Successes

There are notable successes of new programs that address the barriers and generate revenues. Among these are the Global Master's Program in Public Health, commercialization activities of the Office of Industrial Liaison, the School of Medicine's Applied Research Fund, expanded intersession courses, and a vast array of certificate and executive education programs.

The ***Global Master's Program in Public Health*** is a cross-disciplinary program integrating faculty from the College of Dentistry with its College of Nursing and the schools of Medicine, Social Work, Steinhardt, and Wagner. It has developed a tuition revenue sharing model and formulated an incentive/reward system that draws faculty from various disciplines. It could serve as an important learning tool for creating future revenue-generating opportunities.

The ***Office of Industrial Liaison***, serving both the School of Medicine and schools at the Square, has a history of continuing revenue generation. Through its efforts invention disclosures increased from 17 in 2001 to 115 in 2008, it has raised over \$1 billion in startup capital, and created a revenue flow of \$10 million/year in 2007 and 2008 (in addition to the Remicade license revenue). Interestingly, despite these successes, The Task Force was still convinced that NYU has no pervasive system-wide entrepreneurial emphasis in its culture.

The School of Medicine, in collaboration with the Office of Industrial Liaison, has an ***applied research support fund*** to "encourage and promote the development of original research projects and technologies which have the near-term potential for licensing and commercialization" (<http://mcr4.med.nyu.edu/oil/arsf>). To date, a series of \$75,000 maximum 1-year investments has returned ten times the investment through licensing fees from resulting products.

***Intersession courses*** have become increasingly more popular. They have been sufficiently profitable to change the spring semester, creating a 3-week intersession that permits expansion of course offerings.

Certificates and executive education are growing in popularity throughout the country and at NYU. A number of creative programs are already being offered at both NYU and Poly, including many that cross traditional discipline and school boundaries. There is great willingness to expand these options and many barriers have already been overcome. Consequently, there is likely potential for substantially more growth of these programs.

While there are notable successes, there are still a great many possibilities for generating additional revenues.

## VI. Recommendations

Exciting possibilities for generating new revenues exist. To realize them, however, changes to NYU's culture, business practices, and/or investments will need to be made. The Revenue Re-Engineering Task Force respectfully recommends that the senior leadership of the University and of the individual schools:

- Explore the economic viability of:
  - Creating clinical practices like those created by the nurse practitioners and pilot testing services. These might include occupational therapy, physical therapy, speech therapy, nutritional counseling, and a host of others. The cost of managing third party billing, a significant barrier to expansion that has often been cited, may be addressed by piggybacking on existing University billing offices. Management at the Student Health Center has indicated that their billing operation has the capacity to support clinical programs in other University locations.
  - Creating an internal consulting business which could expand consulting opportunities to administrators in addition to faculty members.
  - Expanding educational programs, including certificate and executive training, summer and intersession, joint degree and degree-certificate programs, and pursue alternative delivery methods.
  - Charging for short-term use of University student housing during "swing times", for early arrivals and for non-NYU student summer housing, charging nonrefundable application processing fees, and investigating the possibility of hosting camps during the summer and other school breaks.
  - Making NYU facilities available for non-educational activities and events (conferences, corporate functions, filming, weddings, etc). A single office should coordinate these activities across schools. A one-stop Web site could be created for groups outside the University looking for space.
  - Restructuring parking pricing.
  - Utilizing suburban facilities and programs.
- Consider expanded implementation of industry supported capstone projects.
- Re-evaluate balance of trade policies to eliminate disincentives for cross-school collaboration on course development, dual degree programs, and entrepreneurial initiatives. Strong consideration

should be given to providing deans with more autonomy in negotiating their own balance of trade, with final approval by central administration.

- Create centralized data resources, including something similar to “find a researcher” for all faculty (not just medical and dental).
- Create a template to assist in the development and evaluation of business plans for new initiatives.
- Generate a template for creating program-level profit and loss statements for both University- and School-wide assessment of new initiatives.
- Identify a University-wide entrepreneurial champion with the intent of creating an entrepreneurial ecosystem environment that fosters innovation and entrepreneurship both within and across schools. This champion should be integrated into the office of either the Senior Vice Provost for Research and/or Engineering and Technology. Initiatives focused on creating the entrepreneurial ecosystem could include:
  - Sponsoring competitions and soliciting ideas for new revenue-generating and cost-saving initiatives.
  - Providing support infrastructure for new startups (legal service, logo design, etc).
  - Providing/creating a conduit to resources with startup funding/seed funds.
  - Expanding understanding of what is possible, perhaps by creating an entrepreneurial “boot camp” for faculty, staff, and students. Ideally this would engage a diverse group, setting a model for cross-university collaboration. For example it might integrate Wagner’s Research Center for Leadership in Action, Stern’s executive education group, the Human Resources talent management team, as well as experts from the Office of Industrial Liaison and Poly’s BEST center.
  - Establishing incentives for collaboration between schools.
  - Finding mechanisms to capitalize on ideas created in the various business plan competitions (particularly those who are among the finalists but not first place winners).
  - Expanding seed fund investments, perhaps including expanding applied research funding possibilities to include ideas from the Square.
  - Monitoring leveraging and value-added of investments with existing seed funds.
  - Consider changing the name and improving the visibility of the Office of Industrial Liaison.
- Create an Innovation Team supported at the Provost level.

- We envision this to be a “bottom-up” forum where faculty, administrators, and students could formally propose ideas and initiatives using a system similar to that of the Medical School’s Applied Research Support Fund or the Berkley Business Plan Competition.
- The Innovation Team would have the responsibility of evaluating the new ideas/initiatives and identifying ways to realize or implement them.
- The team could also find ways to showcase new revenue-generating initiatives throughout the University.
- We envision a team drawn from leaders of the schools.

## **VII. Summary**

Significant possibilities for generating new revenues exist. The University’s depth and breadth of both intellectual and physical resources, along with New York City’s wealth of people and industry sectors, positions NYU for opportunities not possible elsewhere. Not surprisingly, barriers exist but, once identified, they seem somewhat less insurmountable. The entrepreneurial energy within schools holds great promise for expanding system-wide collaborations to generate new revenues.

## Appendix A. Specific Charge to the Revenue Re-Engineering Task Force

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The Revenue Re-Engineering Task Force was specifically charged with:

- Review NYU's current revenue sources including: tuition, fees, endowment, gifts, sponsored research, government appropriations, campus services, royalties, and other support; and compare them as a percentage of total operating budget to peer schools.
- Identify reasons for categorical income differences between NYU and its peer schools in enough detail to suggest methods by which NYU may increase both its net revenue and proportional share of revenue from a given source.
- Assess whether NYU's tuition revenue is adequately balanced by semester and special academic session throughout the entire school year. If tuition revenue is not well balanced, suggest ways to improve the situation.
- Determine whether NYU facilities – public space, academic facilities, sports facilities, retail rental properties, parking, and faculty and student housing- are optimized to produce both user satisfaction and revenue during the year.
- Evaluate NYU's intellectual property policies to determine if they create adequate incentives for both faculty members and the University. Determine if there is adequate communication of these policies and whether or not the working environment is conducive to optimizing the development of faculty inventions.
- Identify any reasonable source of additional or alternate revenue for the University. This could include an assessment of the appropriateness of existing fees and pricing, improved use of real estate assets, creation of new billable services for saleable products; and so forth.

## **Appendix B: Final Report – Sub-Task Force on Expanding Clinical Practice**

### **Subcommittee Report: Clinical Programs**

From Tyra Liebmann, NYU Wagner

May 6, 2009

The following constitutes a report by the clinical programs subgroup of the university assembled Revenue Task Force. For the purpose of this assignment, “clinics” are defined as a service provided to a person or entity for which a fee is paid. The report uses four case studies, or examples, to provide a sense of the opportunities present within the university. Each case represents a clinical type, has a description that defines its scope, provides an overview of its operations, articulates barriers to success, and catalogs other similar NYU-based clinics. The approach included online-research, key-contact interviews and meetings (see Appendix A – Reference List), and limited financial analysis. Projecting the revenue potential proved quite difficult at this point; further digging and analysis could flesh out models and provide useful projections.

Beyond the cases mentioned, this assignment brought the following to our attention: 1) a lively entrepreneurial spirit exists within the schools of New York University; many would welcome the opportunity to brainstorm and share revenue generating ideas through a formal system that includes proposal submissions and committee evaluation; 2) ideas explored within clinics cross subcommittee topics of certificate and executive education; invention and innovation; and facilities; and 3) there may be the opportunity for a central back-office/infrastructure solution (i.e., billing) that would not only remove a hurdle for several clinics but could also be a university profit center.

I want to thank Mike Alfano for establishing the Revenue Task Force, and its faculty and staff chairs, Dianne Rekow and Tony Jiga, for the opportunity to explore and learn about these operations within NYU. Also, I am grateful to all the task force members, particularly Erich Dietrich, Dorothy Durkin, Joe Kachurak, and Irene Robling, for their useful input, and to my Wagner colleague Trena Drayton for her valuable assistance with this endeavor. I appreciate the time and thoughtful sharing by all those listed in Section C. Our university is a vast and complicated place, with many parts in constant motion. It was fun to peer into less familiar areas and observe the tremendous variety, energy and potential across the schools.

## Case Studies

### Clinical Type: Faculty Practice

#### Description:

Faculty practice model utilizing faculty members who are Nurse Practitioners (NP) to provide primary care services to the public

#### School:

College of Nursing

#### Status:

Active

#### Overview:

NYU created a collaborative effort between the Colleges of Nursing and Dentistry. This “unique organizational partnership that promotes oral and systemic health” began in September of 2006 through funding from the Jonas and Samuel Foundations. Because Nurse Practitioners can diagnose, prescribe for and treat patients, they are an optimal choice when a patient seeks or requires primary care (prevention-focused and integrated primary care that is also affordable). The vision was for this faculty practice to be an article 28 diagnostic and treatment facility with its core patient pool obtained through a referral program with the College of Dentistry. With renewed national interest in healthcare provision and a focus on cost-effective primary care options, it is an opportune time to refine this model.

#### Barriers:

*Critical Mass:* Volume is essential when evaluating the potential of the Nurse Practitioner Practice. Until a critical mass of patients is established, this endeavor will waver in the areas of operational efficiency and profitability. Much of the ability to gain a critical mass hinges on other barriers (i.e., space and credentialing by commercial insurers). Credentialing of providers by commercial insurance plans in an NP managed practice is a challenge that directly affects referrals and revenue generation. However, a large part of it is also marketing, education and positioning (i.e., reinforcement referrals).

*Business Model:* The NP-Managed Practice utilizes a business model originally designed for the dentistry faculty practice. It divides revenues using a 65% (Faculty)/35% (School) split, until overhead costs are covered for the year, and a 95%/5% split thereafter. The dentistry model was constructed to provide faculty members with additional compensation, and therefore, to be used as a recruitment and retention tool. However, unlike dentistry services, the price point of primary care doesn't present as lucrative an opportunity for nurse practitioners. Given this arrangement, the school and university barely remit funds to cover overhead (NP Practice has yet to breakeven). A new model may need to be explored.

*Space:* The NP-Managed Practice, located on the first floor of 345 East 24<sup>th</sup> Street, operates via a shared site with the Department of Oral Medicine of the College of Dentistry. At present the NPs function with 2 exam rooms, a condensed administrative intake area, and a somewhat cramped waiting room. In the intake area, there are three computer stations, two of which are occupied by Dental employees; the other by the NP-Managed Practice office manager. The three have different responsibilities and deal with different visitors, but the set up does not make clear the differentiation. This arrangement is confusing to patients; it mixes opposing procedural cultures (dentistry, traditionally, is open-door whereas primary care is individualized and private); and most importantly, it limits the daily volume. Perhaps with Dental's ongoing renovations there could be opportunity for allocating space more effectively for both entities.

*Objective/Purpose:* Practices like this one are relied upon as training mechanisms for students. Incorporating teaching into the process of providing care is an integral part of the work process, which takes additional time. The leadership of the Nursing College and the NP-Managed Practice are eager to optimize for revenue generation as well as care provision, and welcome assistance in rethinking their models and procedures to maximize both the pedagogic and revenue goals of the practice.

*Public Perception/Branding:* Nurse practitioners have a perception hurdle to get over. Many people don't understand how they differ from a traditional nurse or that their ability to diagnose, prescribe and treat puts them in the same category as a primary care physician. In fact, attention is being drawn to the lack of primary care physicians given the effort to move toward universal healthcare. Nurse practitioners stand to gain from the newly publicized fact that they can be used as a solution, presenting an opportunity to overcome this barrier.

Catalog (NYU-based similar clients):

College of Dentistry

- Faculty Practice Dental Clinics

## **Clinical Type: Testing Services**

### Description:

American Psychological Association accredited internship centered around training professionals to administer testing (ADHD, giftedness, learning and emotional development)

### School:

Steinhardt School of Culture, Education and Human Development

### Status:

Pilot Development

### Overview:

Steinhardt is developing a pilot program with two stages. The first would be a small scale training module to provide graduate students with experience in testing covering a variety of areas: ADHD, giftedness, learning and emotional development. The training would be led by licensed practitioners and count as part of their required coursework. The second stage would be an expansion of the idea into an accredited internship open not only to NYU students but also any professional, both local and abroad.

### Barriers:

*Billing and Licensure:* As with any clinical practice, appropriate licensing and supervision by licensed practitioners will need to be in place. Because medical billing is specialized in nature, issues of staff capacity and expertise are relevant. While some of SHS staff have the required training in processing, coding and on the software, it is not clear that they could handle the increased capacity this program would create. However, hiring and training new staff on required software and systems could be quite costly. It would be worth exploring whether the billing capacity of NYU's Health Services would be of help here.

### Catalog (NYU-based similar clients):

Steinhardt School of Culture, Education, and Human Development

- Occupational Therapy
- Physical Therapy
- Speech Therapy
- Nutritional Counseling
- Diabetics Testing and Anthropometric Analysis

## **Clinical Type: Capstone**

### Description:

Student-based teams that complete professional consultant type projects

### School:

Robert F. Wagner School of Public Service

### Status:

Active

### Overview:

Capstone is learning in action. Part of the core curriculum of the MPA and MUP programs at NYU Wagner, it provides students with both a critical learning experience and an opportunity to perform a public service with a client organization. Over the course of an academic year, students work in teams - either to address challenges and identify opportunities for a client organization or to conduct research on a pressing social question. Ultimately, Capstone contributes not only to the students' education, but also to the public good. In 2008-09, seventy-six projects were completed. Agencies are charged on a sliding scale based on their submitted annual operating budget, with some paying nothing.

Fees obtained from the Capstone programs were \$123,900 in the 2007/2008 academic year and a similar amount is expected to be obtained for 2009. The average fee paid was between \$1,500 and \$1,900, with some organizations paying as high as \$5,000 and others nothing. While the current expense base is relatively fixed, though travel costs for teams (who are increasingly international) may rise. Increasing the average fee would provide incremental upside to the bottom-line. The question is: what can the market bear?

### Barriers:

*Client Pool:* Because the client pool for Capstone is mainly non-profit or government organizations, due to their limited resources, there may be limited ability to sustain higher engagement fees, at least for now.

*Engagement Fee Structure:* The engagement fee calculation is based on the client's annual operating budget and can range from \$500 - \$5,000 (and likely to be increased in FY 2010). Because the fee is suggested, not required, the client can either negotiate the fee down or request a complete waiver. Additionally, Capstone offers organizations that are not local an alternate payment arrangement: travel and accommodations for a Capstone team in lieu of an engagement fee. Wagner's Capstone program doesn't turn away a client based on their ability to pay the fee.

Other Capstone-like programs in the university do not charge, but some are looking into the possibility.

Catalog (NYU-based similar clients):

School of Continuing and Professional Studies

- Capstones/Internships

Social Work

- Research Capstones

Stern School of Business

- Stern Consulting Corps

**Clinical Type: Consultancy**

Description:

Private consulting practice that leverages expertise across New York University schools

School(s):

Dentistry, Wagner, Stern, Law, Steinhardt (open to all NYU schools as appropriate)

Status:

Concept

Overview:

The idea is to create an NYU internal consulting business to leverage disciplines housed in the various schools. In addition to generating revenue, this concept ties into NYU's objectives: 1) to demonstrate NYU as the global network university, 2) to operate across disciplines and across schools, and 3) to be a "private university in the public service". A profit-share model could be

designed that first covers infrastructure-related overhead and then incentivizes faculty/administrator participation.

For example, an entity outside of the US wants to build dental facilities in locations hindered by poor infrastructure, lack of industry expertise and viable financing options. With Dental's expertise leading the charge, NYU could mount a team of faculty and administrators from Dental, Wagner, Stern and the Law School to serve as project consultants to develop appropriate financing and implementation models given the various financing, regulatory and international development knowledge they bring to the table.

As another example, various health care policy and management expertise could be tapped – at consultant prices – to assist in replicating innovative NYU practices elsewhere, extending the NYU brand beyond the client-generated fees in New York.

Other clinical or adjunct faculty with private practices could utilize NYU Health billing services on a fee-sharing basis. The NYU brand could assist in building clientele, and the billing operation could provide cost-effective service to existing small practices that have limited capacity or interest in directly handling that side of their business.

Outsourcing the production of materials (particularly for Dental, Nursing, even Poly?) could also present opportunities for revenue generation and cost-savings.

#### Barriers:

*Logistics:* Crafting and implementing this opportunity would require the coordination of myriad logistical details.

*Individualized Thinking:* Many faculty members currently perform consulting duties through solo projects. Gaining participation from this group would require a solid infrastructure to support and justify the “shared” aspect of compensation. However, there are also many talented administrators in the university who do not have the opportunity to apply their expertise for additional university and personal reward. Such opportunities may be welcome, especially if they come with additional compensation and professional development.

*Competing Demands:* Faculty and Administrators share the issue of feeling pulled in multiple directions. Implementing this idea would place an additional strain on already stretched resources.

#### Catalog (NYU-based similar clients):

Division of Libraries

- Outsourcing services

Also has cross-over with Executive Education, Certificates, and Innovation ideas.

## **Appendix A to Clinic Subcommittee Report**

### **Reference List**

In addition to the committee members, I am grateful to the following people for sharing their experiences, time, and ideas.

#### **Marc Callahan**

Associate Dean for Administration and Finance  
New York University, Silver School of social Work

#### **Henry Chung**

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New York University School of Medicine, Psychiatry

#### **Dennis DiLorenzo**

Associate Dean for Administration  
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#### **Barbara Donofrio**

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#### **Arnold H. Grossman**

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#### **Judith Haber**

Professor; Associate Dean  
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#### **Lizzette Hernandez**

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**Stuart Hirsch**

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**Madeleine Lloyd**

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**Rick Moss**

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**Barbara Timpano**

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## **Appendix C: Final Report – Sub-Task Force on New Certificate Training and Executive Education Programs**

An executive summary is included below; the full report can be found at <http://files.nyu.edu/rmp10/public>

### **EXECUTIVE SUMMARY**

**By Dorothy Durkin**

**Associate Dean, Strategic Development and Marketing**

**NYU School of Continuing and Professional Studies**

**March 2009**

Dozens of people throughout New York University were generous in offering feedback, ideas, and perspective for the purposes of this report. As chair, I would like to thank and acknowledge subcommittee members Erich Dietrich, Joe Kachurak, Jeffrey Simonoff, and Michael Summers for their astute observations and helpfulness in discussing the issues. Committee chairs Tony Jiga and Dianne Rekow, committee member Tyra Liebmann, and other members of the Revenue Task Force were generous in sharing insightful information. This report attempts to present a clear picture of current NYU programming and offers revenue-generating ideas to inform future discussions. Many University administrators provided program suggestions with the caveat that some of the ideas are still in the conceptual stages and would need significant further consideration and research before being developed.

The Subcommittee on Certificate Programs and Executive Education was asked to define educational terms and credentials primarily in certificates, graduate programs, and executive education throughout NYU, as well as to compare NYU policies and practices with other universities; discuss regional market-driven demand; identify new cross-school/cross-disciplinary programming opportunities/partnerships as

potential revenue sources; address how to promote new opportunities; and identify barriers to expanding programs and recommend solutions.

This executive summary highlights overall findings and the prevailing themes that resulted from what we've learned through the process of collecting information and interviews. This is followed by a section with detailed answers to eight specific questions that were put to the subcommittee. An appendix with supporting materials is also included.

## **THE CURRENT LANDSCAPE**

The current economic crisis has given rise to formidable doom-and-gloom scenarios.

Yet NYU, with its rich array of educational offerings, is ripe for new programmatic opportunities, collaborations among its schools and disciplines, and outreach to the corporate arena both in the U.S. and globally. There are many potential untapped opportunities that could fuel growth for the University for years to come. The challenge, which this report addresses, is to create an environment in which the appropriate resources and support are available for spurring creative, innovative, and highly resourceful programs and multiple formats.

## **PREVAILING THEMES**

Research shows that many people now hold multiple degrees in various disciplines and that many have augmented their basic degrees with other types of learning that help them bring diverse knowledge to bear on solutions to complex problems. Getting an M.B.A. is common practice for the entrepreneurial or managerial minded, even when they already have other advanced degrees (often in science or engineering). Conversely, the role science and technology play in innovation has brought many learners with advanced degrees in other fields back to school to acquire a deeper understanding of the advances being made in technical and scientific fields.

Given today's economy, will the M.B.A. continue to carry the same currency it held in boom times? We need to see beyond the limits of traditional credentials. Combined efforts among schools at NYU, rather than working in silos, will be more important than ever in terms of innovation.

## **SEEKING FRESH IDEAS**

The following ideas, which surfaced in a recent demand study, seem to be generating the most excitement in the University community: new and innovative formats, graduate certificates and advanced professional certificates, intersession, corporate outreach, executive education, and online programs.

### ***New and Innovative Formats***

Formats help people accelerate their academic work and fit academic needs into challenging personal and professional schedules. Hybrid educational offerings, in which courses are offered in a combination of online and on-site environments, are very popular across the country. Within some areas of NYU, formats are being used creatively to benefit the students. The Stern School of Business (Stern) uses intersession in January and summer for the part-time M.B.A. program, which gives diversity to its academic schedule. The School of Continuing and Professional Studies (SCPS) has experience in offering two start dates in a semester, utilizing shorter courses, and getting students and the public used to the idea that they can begin a course of study midway into a semester. The Wagner Graduate School of Public Service (Wagner) has created the notion of "Two Plus Two" (discussed below), which is an interesting idea of collaboration that allows students to get the added credential of a certificate while earning a master's degree.

### ***Graduate Certificates/Advanced Professional Certificates***

Graduate certificates in general have been growing in popularity throughout the country in response to students who want a specialization to use toward a master's, a post-baccalaureate, or in some cases, a post-master's degree. We're seeing considerable growth in this area because

such certificates enable students to accomplish their studies in a relatively short period of time and are seen as useful in advancing their careers.

At NYU, Graduate Certificates (GC) or Advanced Professional Certificates (APC) are excellent sources for collaboration. Wagner's "Two-Plus-Two" certificate idea would allow already-existing content to be shared and open to more students. The Graduate School of Arts and Science offers an array of Advanced Certificates that may provide potential for future collaboration.

In Section Four of this report, in which we discuss market demand and opportunities, we note that healthcare is one of the fastest-growing industries. NYU's Global Master's in Public Health (Global M.P.H.), in which five schools (Wagner, Medicine, Steinhardt, Social Work, and Dental/Nursing) participate in the instruction of the courses that lead to the degree, is a good illustration of how healthcare touches on so many areas. Within this flourishing industry are many career opportunities, including information and communications technology, data analysis, and data visualization, as well as accounting, human resources, and finance. Imagine all the potential GCs and APCs that could be created to meet the needs of this burgeoning industry. More research is needed to confirm market interest.

One advantage of creating GCs and APCs is that obtaining New York state approval is a relatively easier and faster process than what is required for getting approval on new master's degree programs.

### ***Intersession***

Several schools see potential to draw new students, both from the U.S. and internationally, to intersessions in January and May. Stern's part-time M.B.A. course sequencing utilizes the

intersession periods in a creative way, enabling students to achieve goals in a shorter time without sacrificing academic quality.

To be creative with formats and use intersession constructively requires buy-in from both faculty and administrators. Many programs offer existing courses that would complement other schools' degrees. Schools may want to create new courses which, when combined with existing offerings, would form four- to six-course certificate packages. Offering some of these courses during intersession periods would avoid space constraint problems, generate new revenue, and form cross-university initiatives that could expand into other areas of collaboration.

There's a lot of potential for development and growth for NYU students as well as external audiences. The three-week intersession calendar in January (previously a two-week period) will enhance the ability of external audiences to come to our campus. Summer session offers tremendous opportunity, and the appeal of coming to New York during the summer season should not be underestimated. Many schools within NYU have successful Summer Institutes and the development of additional ones could enhance revenues.

As one example of using intersession periods creatively, the Steinhardt School of Culture, Education, and Human Development (Steinhardt) is working to expand winter session offerings at the undergraduate level and trying to make summer session coursework more feasible for undergraduates. There are obstacles, of course, including the fact that financial aid does not cover summer or winter session courses, and faculty load is based on a two-semester fall/spring year.

### ***Corporate Outreach***

There are a number of schools, such as Stern, SCPS, NYU-Poly, and Wagner, among others, that have been building corporate relationships for quite some time. Some of the schools, but not

across the entire University, offer credit programs as well as executive education through corporate venues. This is a fertile area that can use a lot more development.

Expertise gained from NYU-Poly, Stern, SCPS, and other NYU schools can be used in approaching corporations, in the U.S. and overseas, that may be interested in the development of credit-based programs. The University could also consider developing a Master of Professional Studies (definition attached) in some aspect of business that could be presented to a corporation. This degree lends itself to cross-disciplinary opportunities.

Much of the outreach within NYU has been in building retail audiences (consumers, students). Perhaps a subcommittee of the Innovation and Planning Team (see page 12) could focus on ways in which we can expand our corporate outreach. Programs such as those at the Stevens Institute have been very successful. We can look at such models to better understand the corporate arena and how NYU might benefit from it.

### ***Executive Education***

Many schools at NYU are already doing some form of Executive Education, as noted in the cataloging of programs. The Stern School of Business has strong familiarity with Executive Education in the corporate arena and globally. It draws E- and C-level audiences to its programs, many of which are intended as post-master's programs and for those who have an M.B.A. Several national tax conferences that draw mid- and high-level executives, including the Institute on Federal Taxation (in its 68th year), are offered annually through SCPS. In addition to professional conferences, SCPS also offers some certificates for the executive level, such as the recently established Executive Certificate in Strategic Business Leadership. The materials that follow this summary show that there is ample opportunity for schools to reach leaders of respective fields.

### ***Online Programs: Moving Beyond Geography***

The online arena is one that needs to be considered. Being “in and of the city” has been a boon to NYU. At the same time, because the campus is located in a large and crowded city where space is at a premium, it is also one of the greatest challenges. One of the best ways to move beyond our own limitations of space is by moving into the global online arena. This is also a great way to honor the concept of the “Global Network University.”

The NYU brand is a powerful one worldwide and should fare well in an online marketplace. There is potential from undergraduate and graduate certificates to master’s programs, as distance learning extends the NYU reach geographically and alleviates strain on space and housing issues. The NYU Law School has been innovative in offering an Executive Masters of Law (LL.M.) through its Graduate Tax Program’s distance education initiatives. By offering the degree program online, the Law School is expanding its reach to a much broader audience of qualified students.

Throughout NYU, there is great potential for graduate certificates and master’s degrees to be offered online or in hybrid formats. NYU can expand its current master’s portfolio by creating additional online graduate certificates and offering a far more flexible mode of study for our students with hybrids of online and residential formats—giving students opportunity to study on campus one semester and off the next. It should be noted that tools are now available that make online programs easier for faculty and less costly in terms of implementation.

Currently at NYU, a course that is offered both on site and online tends to be offered at the same price – there is no price differential based on format. However, there are models at other universities across the country where courses are priced differently – e.g., a course offered online or in other accelerated formats is not priced the same as its traditional counterpart.

Offering a variety of options will bring in more students from around the country and worldwide. Online is what many parts of the population, and millennials, in particular, are looking for.

Opening up our online horizons fits perfectly with the University's notion of the "Global Network University." A fully realized global network – in which online offerings are an organic part of the whole University enterprise – would offer students strong online social networking resources to maximize their ability to maintain links to friends, colleagues, and interest groups that they may have formed during their course of study. NYU has an opportunity to give global learners a sense of a common belonging wherever their work and fortunes may take them.

***Not Novel, But Important: Filling Empty Seats***

The most straightforward opportunity for revenue growth is to supplement current academic programs with small programs, degrees, and certificates (including those that cross schools). The costs to pursue this are very low, as such programs can be scaled to fill empty chairs in current classes and empty classrooms in general. The opportunity to fill empty chairs is clear: programs and certificates allow for a few additional students to take a class, bringing in more revenue at no additional cost to the university. The opportunity to fill empty classrooms is more complex, as it would probably involve the use of additional faculty, but would tie in with improved facility management, and would allow for the creation of larger programs (particularly ones that cross school boundaries). Marketing could go a long way in helping to increase enrollments in graduate certificates and master's programs for low-enrolled classes.

The beauty of this is that the programs already exist; it's a matter of finding ways to fill the empty seats. Frequently, cross-disciplinary efforts and shared students participate across schools: They may share elective and core courses within existing master's programs, and this can contribute to the size of a class that ordinarily might be small. This is happening effectively

at SCPS: some communications courses related to media and communications strategy are shared among some of the master's programs.

### **CROSS-SCHOOL AND CROSS-DISCIPLINARY PARTNERSHIPS**

As careers change—merging, morphing, becoming more complex or sometimes more niche—we are seeing academic programs at NYU offering many more dual and cross-collaborative programs. As seen in the supporting materials, there is evidence of very encouraging activity in this area at NYU. In terms of future opportunities, it should be noted that conversations are taking place among the leadership of NYU-Poly and of Wagner, Tisch, Courant, and SCPS. NYU-Poly and SCPS, for example, are considering a Certificate in Engineering (noncredit; online and on site).

A university must create the kinds of programs that meet students' needs. If that means crossing boundaries within and among schools, then this University needs to find ways to do that. As it stands, several intra-university relationships exist at NYU through dual degree programs, accelerated undergraduate to graduate programs, degree programs plus certificates, and many others. For example, Courant requires its M.S. in Information Systems students to take five courses at Stern to fulfill degree requirements. Stern offers its M.B.A. as a dual degree in partnership with several other schools' degrees such as the M.B.A./M.F.A. with Tisch School of the Arts, M.B.A./J.D. with the Law School, M.B.A./M.P.A. with Wagner, just to name a few. College of Arts and Science lists many inter-school minors in partnership with other schools. These minors are comprised of courses from participating schools. An example of a possible future collaboration comes from Wagner and SCPS, which may work together on a Certificate in Social Entrepreneurship that would be offered either online or in a hybrid format.

The Obama Administration has been vocal in encouraging industry to “think green.” Such initiatives are not new to this University. NYU's Sustainability Office has its roots in a variety of student, faculty, and staff efforts that significantly predate its formation in 2007. Offering new programs in this area would also give visibility to NYU. From Real Estate to Design to Environmental Studies, many schools are participating in projects in this area, and there is *enormous* potential for “green” courses, certificates, and seminars, with much collaboration to be explored. Earlier this year NYU-Poly held a “Green

Buildings Workshop” in which university and industry researchers and developers of green buildings discussed business opportunities in the field. NYU-Poly has many such project proposals in the works, and there are plenty of examples of “green” initiatives to be found throughout the University—from Arts and Sciences to Courant, Wagner, SCPS, the Law School, Steinhardt, and others.

As we brainstorm future collaborations, we should also note the Obama Administration’s focus on these areas as well: energy, environment, and healthcare (mentioned previously), as well as finance, management, the public sector, the private sector, and the legal profession. These areas will all be affected by regulatory changes, and the University may find opportunities to respond through new academic initiatives.

The character of the individual NYU schools is one of the great strengths of this great University. So whatever we suggest and advocate for discussion, we want these traditions to grow and be fostered. From various disciplines, however, around the NYU community, there’s genuine interest in collaborations given the nature of the world.

### **IMPORTANCE OF STRATEGIC MARKET RESEARCH**

With sophisticated market research, NYU can stay attuned to the needs of the market. SCPS, in particular, has a strategic outlook when it comes to research—that is, it has built its reputation on maintaining close ties to the career needs of New Yorkers and to the needs of industry.

Used strategically, market research can serve as a barometer for anticipating market opportunities. Environmental scanning is useful in staying alert to burgeoning career areas. Research can help track emerging trends and monitor societal needs that help us understand what programs and formats may have the greatest appeal to students. Feasibility studies can be very advantageous when trying to gauge the potential for new master’s degrees.

We need to foster a culture of innovation and entrepreneurialism among our programming units. The University needs to follow closely the economic hopes of the region and the country and provide leadership in offering the innovative programs that contribute to the pulse of the economic region and nation.

## **INNOVATIONS, OBSTACLES, AND SOLUTIONS**

*How do we overcome obstacles to do programming?*

*How do we encourage collaboration and innovation programmatically?*

Among the major obstacles to innovation and collaboration is balance of trade and finding appropriate solutions for revenue sharing. It's difficult enough for programs to stretch boundaries within schools, let alone cross boundaries in the University. If this is something valued, support mechanisms are needed.

One of the things that the subcommittee and others interviewed support is the notion of revenue sharing and the schools' involvement in a collaborative effort. Whether a graduate program and a graduate certificate or advanced professional certificate, the schools need to negotiate their own shared revenue recommendations. The University Budget Office could advise or serve programs in a constructive fashion.

Faculty issues are of utmost importance when discussing revenue sharing. Some executive education programs use adjunct instructors, while others use full-time faculty. "Standards and practice" vary from school to school—e.g., tuitions and credit hours vary—and such differences may become a red light to schools that are considering collaborating. Perhaps faculty would benefit from an ombudsperson who would be available to foster and support the development of cross-collaborative programs. (More on this function in the upcoming section *Fostering Support*). In seeking solutions, there needs to be a structure in place that supports and rewards faculty for undertaking projects across schools. With a few

notable exceptions, to a very large extent this does not currently exist, which makes it much less likely that a faculty member will “champion” a program.

New programs need time to grow. An atmosphere that withholds judgment for the first year of launching a new program is beneficial, as revenue is often incremental. Fostering a spirit of collaboration and innovation is something that needs time to build, as it represents a cultural change within the university environment. In addition, not every new program will thrive in the long term, and there should be no stigma attached to those programs that have a short season.

A variety of schools have adapted to a modular schedule to help standardize courses and open up space opportunities within the University. Use of creative formats throughout the country is a driving force for opening new market places. Stern, in its international programs, uses hybrid education (online to help accelerate learning, while solving space problems and geographic barriers). SCPS has many new online programs in its Fall 09 schedule in the Paul McGhee Division that enable students to finish their degrees online. The notion of distance learning is a strong point in our outlook, based on our research of market growth opportunities.

## **FOSTERING SUPPORT**

The University must foster support for new programming initiatives and collaborations. We need to seek out fresh ideas. Perhaps we could take a clue from Louis Gerstner, Jr., former CEO of IBM, who encouraged innovation by promising employees new funding and rewards for the best ideas. To make true sea changes, we need to provide support. NYU needs a competitive framework to sprout creative ideas, and it should support the launch of new programs it believes in.

The University needs mechanisms that stimulate dialogue, spur innovation, and support collaborative cross-disciplinary programs. Innovation must come from the schools themselves, and it is critical that our schools receive the kind of support that helps them develop new initiatives and work together on

collaborative opportunities. We also need research to provide support for the viability of new development. Sometimes research can be generated by faculty members; at other times, it may behoove the University to use outside research capabilities, as SCPS does when it employs feasibility analyses to determine whether to move forward with new programming opportunities.

The schools within the University should also be able to negotiate deals with others for joint programs, subject to University approval, in a similar fashion that they deal with outside entities. This would mean that we could move away from the strict balance-of-trade formulas that may be disconcerting to some departments.

### ***Innovation and Planning Team***

With the caveat that there is a great desire to continue to support, recognize, and maintain the individual richness and character of each school across the University, below are some options to consider under the umbrella of an “Innovation and Planning Team:”

- A cross-disciplinary “Innovation and Planning Team,” with support from the provost’s office and comprised of members from schools throughout the University would:
  - Be made up of associate deans and possibly academic directors and faculty selected by schools.
  - Share and discuss new ideas, work on thematic and cross-disciplinary collaborations, and showcase what is being done throughout the university.
  - Generate awareness of new collaborations and new executive education programs. Each school would bring its representative strength to team meetings—e.g., from Stern and NYU-Poly we would learn about making connections with corporations for credit and executive programs; from SCPS we would learn about marketing and market research for a retail audience, as well as developing graduate and certificate programs based on industry and student needs; from Wagner, Arts and Sciences, Steinhardt, the Law School, and Stern, we could share experiences regarding new formats. The assets of each school would be integrated into discussions about programmatic innovation.

- Another option is to appoint someone from the provost's office to seek out new ideas to champion and show support for all such efforts. This "champion" could facilitate meetings and discussions that would help move projects from concept through development.
- Since faculty are an essential part of the success of any collaboration, it has been suggested that the University appoint a faculty ombudsperson to help foster innovation, encourage cross-school and cross-disciplinary programming, and act as champion for new ideas.

Naturally, aspects of these suggestions should be reviewed carefully. Whether one or more options is selected, NYU's school-centric focus should remain a positive and never be lost in the process of collaboration.

On a practical level, it may be helpful for the Budget Office to generate a template for "business planning" that can be used by programmatic areas when launching new initiatives. It could act as a guide and a reminder on the necessary procedures that must be followed, especially for collaborative efforts.

### **POTENTIAL NEW REVENUE IMPACT**

Some of the new programs discussed in this report are involved in short-term development; others in long-term development. Based on information we've received, many areas in this report will achieve some growth in fiscal 2009-2010. If we create some form of an Innovation and Planning Team and get movement going, we could anticipate positive revenue in each of the schools engaged in new activities.

### **NYU AS INCUBATOR—WHY IT'S WORTH THE EFFORT**

There's value in seeking out new opportunities and in stretching our programmatic offerings. Aside from the potential new revenue that we want to generate, NYU is an institution that can represent economic hope both regionally and nationally. If administrators and faculty view this University as a great incubator for innovation—and if the University nurtures a culture of entrepreneurialism and

collaboration—we have an opportunity to pioneer some very worthy and historic pathways in higher education.

## **Appendix D: Final Report – Sub-Task Force on Using Facilities as a Revenue Generator**

**TO:** Dianne Rekow  
Tony Jiga

**FROM:** Alison Moppett

**RE:** Revenue Opportunities from NYU Facilities Sub-Task Force

**DATE:** May 15, 2009

I have outlined below some preliminary ideas and proposals for revenue opportunities from NYU Facilities.

### **HOUSING**

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#### **Proposal: Bill residents for Summer to Fall Transition Housing**

University Housing does not currently bill summer residents with a confirmed academic year housing assignment who remain in housing during the summer to fall transition period. Revenue would be generated for billing for these services (i.e. housing) during this time.

For Example:

The Summer 2009 program ends on Saturday, August 8, and the 2009-10 academic year license period begins on Sunday, August 30, 2009 (3 Week Period).

2007: Approximately 1230 Summer to Fall Transition Students

2008: Approximately 1200 Summer to Fall Transition Students

If these students were billed a set Associate Rate (Summer Housing rates for Enrolled Students are less than for those students not enrolled in classes) during this time for an Apartment-Style Apartment (Freshmen are assigned to the Traditional Style Residence Halls), they would be billed as follows:

- Double/Triple Bedroom: \$275 per Week
- Single Bedroom: \$350 per Week

As I do not know how many are assigned to singles vs. doubles/triples, the minimum amount that could be made during this time would be:

1200 Transition Students X \$275 Week X 3 Weeks = \$990,000

Note:

- The School of Law currently bills for the Summer to Fall Transition Period.
- Student budgets will have to be adjusted as this is not an expense currently planned for.
- University Housing will need to develop a process for students to apply for this period, and for students to be assigned and billed for this period.
- Students switch apartments (move from their summer to fall apartments) as scheduled by University Housing. Accordingly, some residents may remain in Traditional Style (less expensive) housing for several days until they can switch while be billed the Apartment-Style rate.
- Many students have no choice but to stay in housing during this time.

This example was provided to give an idea of the possible income generation. Other rate structures and program possibilities should be explored.

**Proposal: Offer Early Arrival Housing at a fee.**

Provide returning students the opportunity to request to arrive prior to the start of the academic year license period. These students would be billed for their early arrival stay (nightly or weekly charge).

**Proposal: Charge Summer Associates a non-refundable processing fee**

Bill all Summer Associates (non-NYU Summer Housing Applicants) a non-refundable processing fee when submitting the summer housing application.

## **PARKING**

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**Proposal: Set NYU Parking Rates to correspond with market rates.**

NYU rates are currently set below market rates. Currently, customers associated with NYU are charged a preferable rate.

- Non-NYU Customers: Bill at Market
- NYU Associated: Bill at Market or 75% of Market

## **SPACE**

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**Proposal: Market Space to Internal and External groups**

**(Filming, Conferences, Weddings, Functions, Graduations, etc.)**

- Market University Space for functions
- Create a "one-stop-shop" on the Web for customers
- Market in appropriate arenas for Weddings, Conferences, Filming, etc.
  - Host a Wedding Expo
  - Magazines/Newspapers
  - Web sites

Locations to Consider to Utilize:

- Torch Club
- Institute for Fine Arts
- Institute for the Study of the Ancient World
- Kimmel (Skirball, Rosenthal, Conference Facilities, Loeb)
- "Catholic Center" – New Interfaith Center
- School of Law (Vanderbilt, Furman, D'Agostino Hall)
- Loeb Theater
- Silver (Hemmerdinger)
- Presidents Penthouse
- Art Galleries

## Weddings

Market for weddings, with possible revenue from:

- Catering
- Space
- NYU Transportation (Trolley)
- Copy Central
- Relationship with SCPS Hospitality Program

## PURCHASING/ASSET MANAGEMENT

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**Proposal: Sell surplus goods (furniture, etc.) online to external customers**

Expand the redistribution of surplus items by offering items for sale on eBay and other auction sites (current or NYU created and run).

## SCHOOL BREAK AND SUMMER CAMPS/PROGRAMS

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**Proposal: Increase the number of Camps/Programs**

Investigate the revenue possibilities of summer/school break camps (sports, theater, technological, sustainability, etc.) and possible summer housing revenue as a result.

## Current NYU Camps/Summer Programs

- Precollege Summer Art Intensive (<http://steinhardt.nyu.edu/artintensive/> )
- Music and Performing Arts Professions Summer Courses and Workshops (<http://steinhardt.nyu.edu/music/summer>)
- NYU Summer PreCollege (<http://www.summeroncampus.com/main/CollegePrograms.asp?CollegeName=New+York+University+%28NYU%29&LocationName=New+York+%28New+York+City%29#1036>)
- iD Tech Campus (at NYU) – Nationwide Tech Summer Computer Campus (<http://www.internaldrive.com/index.php>)

## NYC Camps Information

- Columbia Sports and Cubs Camps- [http://www.gocolumbialions.com/ViewArticle.dbml?&DB\\_OEM\\_ID=9600&KEY=&ATCLID=787582](http://www.gocolumbialions.com/ViewArticle.dbml?&DB_OEM_ID=9600&KEY=&ATCLID=787582)
- Summer Camps & Summer Programs at Colleges in New York State for Kids and Teens 8-18 + - (<http://www.summeroncampus.com> )

### Note:

- Students could be counselors/possible summer Work Study jobs
- Use of space during “down time”
- Positive relationship with the neighborhood

## LIBRARY

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### Proposal: Market Library Resources (Digital and Actual)

Research opportunities to provide library resources to other educational institutions

## **Appendix E: Final Report – Sub-Task Force on Invention, Innovation, and Entrepreneurship**

**New York University**

**Revenue Task Force**

**Subcommittee on Invention, Innovation and Entrepreneurship**

**Irene Robling (chair)**

Charged with exploring revenue sources that might be expanded and added to the University's base in the coming years, one area of focus for the Revenue Task Force has been commercialization of opportunities that come from academic and scientific activities of faculty, students and recent alumni.

Goal: Create new/enhanced revenue streams through promoting entrepreneurial activities: Start-ups, incubators, mentoring/assisting entrepreneurial activities.

Reviewed existing activities at NYU, web research of other universities, convened meetings of interested individuals at NYU, met with Owen Davis of NYU Seed (City Venture Capital), enlisted Paul Horn to spearhead group to move agenda forward.

### **Existing Activities at NYU:**

Office of Industrial Liaison (OIL):

- Facilitates/negotiates patents & licenses for Wash Sq and Med School
- Also negotiates equity agreements for start-ups

Berkley Center for Entrepreneurial Studies at Stern

- Sponsors business plan competitions
- Provides entrepreneurial training/workshops
- Mentoring

Brooklyn Enterprise on Science & Technology at NYU-Poly

- Incubator for start-ups

- Access to interns/student labor resources, which also supports work opportunities for students
- Access to patent attorneys/commercialization resources
- Mentoring/networking service

Wagner

- Reynolds Social Entrepreneur program

### **Activities at other Universities**

Looked at MIT, Stanford, University of Michigan, Columbia, Johns Hopkins, University of Maryland (College Park and Baltimore), Duke, Arizona State, Purdue, Northwestern. (There is a spreadsheet attached with information from the Universities we looked at.

Types of activities:

- Patents/licensing
- Entrepreneurial training/mentoring
- Business plan competition
- Support for start-ups, including links to venture capital,
- Incubators/seed money for new ventures

### **Current Incentives & Disincentives**

- Sharing of royalties, licensing income provides incentives for faculty, department & school that are comparable or better than other universities
- Process for patenting/licensing works fairly well for faculty
- No strong incentives/disincentives for students at undergrad or masters level, but at PhD level, little incentive, opportunity to work outside of research grants/TA positions
- Little incentive (probably disincentive) for faculty to become involved in start-ups because it takes them away from research and for the most part only research is considered in tenure process
- Little/no incentive to collaborate across schools—both because it might “dilute” the income stream
- No mechanism to match inventors with business skills that might be needed for a successful start-up
- Can be difficult to sort out issues like conflicts of interest, what happens if government funds have supported related research, and what if students have contributed to the research

- No “champion” to encourage commercialization through start ups, provide links to capital, etc.
- Don’t have well established links to corporations in local area to build business partnerships

### **Current Resources available to support entrepreneurial activities**

(see spreadsheet for additional seed funding—most of which is for research activities at Wash Sq or at the Med school)

- Funding for business plan prizes and some seed fund activities through Berkley Center
- Poly has incubator programs which provide low cost space and other resources

### **Recommendations:**

NYU has lots of the pieces, but needs to pull them together in a way that encourages and facilitates entrepreneurs—organizationally, professionally and financially. In order to begin this process, a group looking at how to make this work at NYU:

- What professional resources are needed and where within the organizational structure should this initiative be located?
- What new incentives are needed (and how could they be funded) to encourage activity among faculty and students?
- What is needed to promote collaboration across schools to match business resources to inventors/researchers?
- How can existing resources be integrated across schools and projects (Poly incubator, Berkley competitions, inventions/technologies/etc.)?

Short term recommendations, beyond the continuing work of this group are:

- Increase the pool of prize funds available for the business plan competition to encourage more of the teams to pursue the next level of start-up activities. Currently, two business plan prizes are awarded—the Rennart prize of \$75,000, for the main competition, and the Satter prize of \$100,000, for the best Social Entrepreneurship project. Four to six finalists are selected for each and all of the finalists have the potential to become operating ventures. If additional, smaller prizes could be awarded to each of the finalists, along with mentor support to help move them to the next level, the odds of achieving one successful venture each year would increase substantially.

With the expansion of the prizes, however, a different model for the businesses may be needed, since the current prizes have no provisions for equity sharing if the venture is successful. In the long run, the plan would be for the program to be self-sustaining, with the successful ventures, in effect providing a return that would be used to fund future prizes. But in addition, the

returns to the University and the schools would provide additional revenue to support ongoing operations as well.

- Collaborate with NYC Seed (or perhaps other) to identify funding sources for new ventures. To develop ventures beyond the prizes described above, or to provide funding for ventures developed outside of the competitions, such as those that come from faculty inventions, access to funding is a necessary element of success. OIL currently provides some assistance to faculty in finding investment funds. Expansion of the capital resources available could perhaps provide an incentive to interested faculty to pursue a start-up path rather than a more traditional licensing option.
- Coordination of efforts to encourage greater interest in turning inventions into business ventures, increase the use of incubators and access to mentors, and bring together teams with the right sets of skills from the schools to support new ventures.

These recommendations, if implemented would require an initial investment from the University of an estimated \$1-1.25 million a year to provide increased prize money and support office operations. However, it would be expected that the initial investment would be offset by revenues after 3-5 years.

**Potential Revenue:**

The projected revenue stream from OIL based on current license and royalty agreements grows (at Wash Sq) from about \$500,000 to over \$13 million from license fees and royalties over the next 10 years. The efforts to increase entrepreneurial activities outlined above are expect to increase revenue above the projected levels, however, the increase would probably not be seen for at least 5 years.