Strategy for Kyiv School of Economics' Profitability and Growth by the End of 2025

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Abstract

Over the last few years, the Kyiv School of Economics (KSE) has suffered significant financial losses, amounting to USD 2 million, which poses a serious threat to the long-term sustainability of the institution. This project aims to address this pressing issue by conducting a comprehensive analysis to identify the root causes of these losses and develop specific initiatives to restore KSE's financial sustainability and profitability.

The study's main findings indicate that the launch of the Engineering School and the introduction of online courses have the potential to generate revenues and improve KSE's financial position. Such projects are of a social nature. But they bring a lot of benefits to the state and make it easier for KSE to raise funds for the company.

The study's recommendations include the establishment of a dedicated project management office, the prioritization of the launch of new programs, investment in online learning infrastructure, and the development of partnerships with industry and international institutions. The positive changes will generate revenue from online courses of up to $100,000 per year and revenue from the School of Engineering of up to $74,000 in the second year of enrolment.

The launch of the Engineering School is also a necessary social project that is perfectly aligned with KSE's mission and will help the Armed Forces in the war against Russia. It will also potentially bring in new investments for the school.

Dedication

We dedicate this work to KSE and our cats.

Acknowledgments

We thank our faculty and managers for these 2 years of study. It was incredible!

Table of Contents

List of Tables

List of Figures

Chapter 1: Project Introduction

Problem Statement

This project aims to overcome the financial losses of KSE University by conducting a comprehensive analysis of the root causes of the losses and developing specific initiatives to increase the university's revenue.

KSE University is a separate division of KSE Group, along with a charitable foundation and a think tank. Currently, the university has undergraduate and graduate faculties (Economics and Social Sciences and Humanities). In total, KSE has 7 bachelor's and 6 master's programs. The Business School has 1 Master program, which is run separately from the other programs. In 2023, the university underwent a significant expansion. An additional 6 bachelor's and 4 master's programs were opened, which allowed to attract 304 new students.

Over the past few years, the Kyiv School of Economics has been facing significant financial losses of $2 million, which poses a serious threat to the long-term sustainability of the institution (M. Shneider, personal communication, November 24, 2023).

Project Vision, Mission, and Goals

Vision

Our goal is to transform the Kyiv School of Economics into a financially sound and stable institution that offers high quality education and plays a vital role in Ukraine's post-conflict recovery, as well as enhances cooperation within the European educational space.

Mission

We are committed to thoroughly analyzing and addressing the financial challenges faced by the Kyiv School of Economics. Our strategy will focus on operations, marketing and strategy. Key initiatives include revision of tuition fees, expanding educational offerings creating new sources of revenue, intensifying marketing efforts, attracting donations and charitable support

Goals

1. Analyze the current financial position of KSE and identify key challenges.

2. Develop strategic initiatives to diversify revenue sources and optimize costs.

3. Propose a plan for the implementation of initiatives with an assessment of required resources and potential risks.

The project will be carried out with a professional and business-oriented approach, ensuring that the proposed solutions are pragmatic, actionable, and aligned with KSE's goals and values.

Chapter 2: External Analysis

Situation Analysis

The higher education sector in Ukraine has been significantly impacted by the ongoing war and economic challenges caused by the Russian invasion in February 2022. It is anticipated that the rate of Ukraine's recovery will decrease from 4.8% in 2023 to 3.2% this year (World Bank, 2024). This economic revival creates both opportunities and challenges for the higher education sector, which is on the road to recovery and adaptation to the post-war era.

The Ukrainian government is hopeful about the country's recovery, expecting increased investment and reconstruction to boost domestic consumption once refugees return. However, the war has significantly impacted higher education, causing a brain drain and dissatisfaction among students. Reforms are needed to increase university autonomy, integrate research and teaching, and align with international standards. KSE is attracting grants and donations from donors to support student learning in these challenging times.

This analysis delves into the multifaceted impact of the war and economic recovery on the higher education sector in Ukraine, examining the political, economic, socio-cultural, technological, environmental and legal factors that influence its trajectory. By understanding these dynamics, stakeholders can better navigate the complexities and seize new opportunities to strengthen and reform the sector's future.

External Environment

PESTEL Analysis

Political. The ongoing conflict with Russia and political instability seriously affect the activities of the KSE. The conflict and political fluctuations make it difficult to plan and implement educational programs, as the university must constantly adapt to changes in government policy and funding. Uncertainty in policy and funding is forcing KSE to seek alternative sources of funding and develop more flexible educational programs that can quickly adapt to changing conditions.

Economic. Ukraine's economic growth after a sharp decline due to the military conflict has the potential to positively impact KSE's operations. The Ukrainian economy is projected to grow by around 3,2% in 2024, driven by increased reconstruction investments and consumer demand (World Bank, 2024). Economic growth could lead to increased funding for higher education and additional opportunities for KSE in the form of research grants and investments in the education sector.

Social. The military conflict has caused significant demographic changes affecting the staff and student structure at KSE. The brain drain and changing demographics affect the availability and qualifications of faculty and students. Population displacement and the loss of professional staff force KSE to look for new methods of attracting and retaining talent, as well as to revise its educational programs.

Technological. The intensive introduction of new educational technologies is KSE's response to the changes in the learning process due to the conflict. The use of online learning platforms has increased, as has the need for cybersecurity. Digital transformation allows KSE to be more flexible and accessible to students despite physical limitations.

Environmental. The post-war reconstruction offers KSE an opportunity to integrate sustainable practices and green technologies into its operations. The need for reconstruction provides a chance to introduce new environmental standards and practices. Focusing on sustainable development and environmental education can enhance KSE's reputation as an innovative and responsible institution.

Legal. The new legal framework in education can strengthen KSE's independence and innovation. Expected legislative changes in the education sector aim to improve the quality and accessibility of higher education. Promoting financial independence and compliance with international accreditation standards strengthen KSE's position in the global education market.

Five Forces Analysis

The Threat of New Entrants. The average intensity of competition due to new entrants in the higher education market in Ukraine affects the Kyiv School of Economics (KSE). Developments in technology have lowered entry barriers for new online education providers, and international universities can enter the market through local partnerships, offering competitive programs. To maintain its position in the market, KSE needs to use its well-known brand, alumni network, and academic reputation to deter new competitors. Strengthening alliances and expanding online offerings are key strategic steps to maintain KSE's competitive advantage.

Bargaining Power of Suppliers. Medium to high intensity of supplier influence in higher education. Globally high demand for qualified teachers and the importance of technology suppliers increases their bargaining power. KSE should focus on strategies to retain faculty, such

as competitive compensation and a favorable working environment, and consider alternative technology solutions to reduce dependence on individual suppliers. Implementing these strategies will allow KSE to reduce risks and increase operational efficiency.

Sectoral Competition. High intensity of competition in the higher education sector. Many educational institutions offer similar programs, particularly in business and economics, and the proliferation of online platforms introduces new challenges. KSE needs to innovate and differentiate its offerings by developing unique advantages through industry partnerships and specialized courses. Such actions will ensure that KSE's market presence is maintained and expanded.

Negotiating Power of Buyers. High intensity bargaining power of students and corporate clients. The large number of educational opportunities, including online courses and international programs, strengthens the position of buyers. KSE needs to effectively communicate the uniqueness of its programs to potential students by strengthening corporate partnerships and improving career services. Effective communication of the value of the programs and improved student services will increase student recruitment and retention.

Threat of Substitute Products or Services. High intensity threat from substitute products. The growing legitimacy and quality of online and alternative educational formats is creating competitive pressure. To maintain its position, KSE needs to offer flexible learning options, incorporate practical projects into the curriculum, and develop unique courses that are difficult to imitate. Adapting to market needs and innovating in programs will help KSE to remain competitive in the face of alternative educational offerings.

Analysis and Assumptions of the Critical PESTEL Factors Post-War

Let's look at three post-war scenarios for the Kyiv School of Economics, using a structured approach to analyze strategic responses to different economic climates.

Pessimistic Scenario. In a pessimistic scenario, the slow economic recovery negatively affects household incomes and reduces the ability of students to pay for higher education. The economic recession and ongoing geopolitical uncertainty lead to a decline in student enrollment, including international students. A significant drop in public and private funding is limiting budgetary resources, forcing the university to cut programs and reduce staffing levels. As a result, the university may need to reduce or close some programs, scale back research activities, and halt the development of certain infrastructures. To address these challenges, the university plans to focus on cutting costs, strengthening marketing efforts to attract more students, expanding online education, and seeking alternative sources of funding.

Conservative Scenario. Under a conservative scenario, the economy is growing at a moderate pace. Households are stabilizing but still under financial pressure, impacting investment in education. Enrollment is stabilizing at slightly lower levels than pre-war, with moderate prospects for middle-income households and a gradual increase in international students. There is a slow recovery in government funding and private donations, but at a low level due to budgetary constraints. Core programs are being maintained, but other areas are limited in expansion and new initiatives, with limited investment in technology and infrastructure. The strategic response is to prioritize core services, improve online and blended

learning, moderate marketing efforts, and strengthen alumni relations to support funding and mentoring programs.

Optimistic Scenario. In an optimistic scenario, the economic climate is expected to experience rapid recovery, leading to rising household incomes, restored consumer confidence, and increased investment in education. As a result, there will be a significant increase in enrolment due to the return of domestic students and the arrival of new international students, thanks to the economic recovery and strategic initiatives by KSE. Additionally, there will be rapid growth in funding from public and private sources, which will be favorable for innovation and the development of the university. This will have an operational impact on the university, including expanding program offerings, accelerating research projects, modernizing infrastructure, and strengthening existing as well as developing new international partnerships. To strategically respond to these changes, the university plans to invest in modern teaching technologies, expand its market reach, build the brand, and focus on international recruitment to leverage its strong position.

Internal Analysis

In 2023, the university opened a number of new programs, which led to a significant increase in the number of students as well as significant costs. Among the new bachelor's programs, the following areas were launched: Cybersecurity, Law, Applied mathematics, Software Engineering and Business Analysis, Psychology, Artificial intelligence.

The new master's programs include the following areas: Memory Studies and Public History, Social psychology, Urban Studies and Post-War Reconstruction.

These new programs helped to attract 304 new students, including 164 students on bachelor's programs and 140 students on master's programs (Kyiv School of Economics, 2023). This has significantly increased the total number of students at the university and contributed to the growth of its reputation.

According to the P&L, the Faculty of Economic Studies, which has not launched any new programs, has the highest loss ratio compared to other faculties that have launched new programs.

As of 09.04.2024, 621 students are enrolled at the university. These are students of master's programs (245 students) and bachelor's programs (376 students). Of these, 311 are women and 310 are men. The overall average grade point average at the university is 81.84.

244 students out of 621 study at their own expense. 377 students receive scholarships or study under the state order.

In September 2023, the total number of students was 753. The loss of about 100 students indicates insufficient work with students in the first months of study.

Table 1

Number of Students and Their GPA

		Female		Male		Grand Total	
Level	Educational program	Quantity	GPA	Quantity	GPA	Quantity	GPA
Bachelor's	Business Economics	90	80.95	69	74.65	159	78.22
	Economics and Big Data	32	84.14	21	79.78	53	82.42
	Cybersecurity	2	73.86	4	83.04	6	79.98
	Law	11	92.52	4	73.57	15	87.47

	Applied Mathematics	3	71.91	4	74.23	7	73.23
	Software Engineering and Business Analysis	44	84.55	49	80.55	93	82.45
	Psychology	22	81.16	6	76.89	28	80.25
	Artificial Intelligence	6	79.68	9	83.56	15	82.01
Bachelor's Total		210	82.59	166	77.77	376	80.46
Master's	Business Administration	17	84.66	26	86.39	43	85.70
	Memory Studies and Public History	9	91.68	4	88.17	13	90.60
	Business Economics and Finance	6	85.41	25	80.99	31	81.84
	Economic Analysis	9	87.33	22	83.30	31	84.47
	Public Policy and Governance	44	81.09	45	81.57	89	81.34
	Social Psychology	6	84.86	5	81.89	11	83.51
	Urban Studies and Post-War Reconstruction	10	90.45	17	87.54	27	88.62
Master's Total		101	84.74	144	83.52	245	84.01
Grand Total		311	83.27	310	80.43	621	81.84

VRIO Analysis

Let's proceed with VRIO analysis (see Appendix A) for better understanding KSE University internal analysis.

International Accreditation. Considered a disadvantage compared to competitors. The institution scores negatively on VRIO attributes such as rarity, uniqueness, and organization, and only positively on value.

Strong Interaction with the Alumni Network. This attribute is on par with competitors. It is valuable and rare, but not unique or well organized within the institution.

Unique Program Offerings. Similarly, this indicator is on par with competitors. Programs are valuable and rare but lack uniqueness and organization.

Partnerships with Renowned Institutions. This resource is seen as a temporary advantage. It is valuable, rare, and well-organized, but not unique.

Best Ukrainian and International Guest Speakers. This is also a temporary advantage. Valuable, rare, and unique, but poorly organized.

Emphasis on Practical Application. This is a temporary advantage. The practical emphasis is valuable, rare, and well organized, but not unique.

Highly Qualified International Teaching Staff. This resource offers a temporary advantage. The faculty is valuable, rare, and unique, but not well organized.

Online/Hybrid Learning Options. These options are considered a temporary advantage because they are valuable, rare, and unique, but not well organized.

Allocation and Use of Resources. This is also seen as a temporary advantage, rated positively for being valuable, rare, unique, but not for organization.

Programs are Taught Entirely in English. This is seen as a temporary advantage. These programs are valuable, rare, and unique, but poorly organized.

An Equipped Shelter Used for Educational Purposes. This is a long-term advantage. This is a valuable, rare, unique, and well-organized program.

Expertise in Economics and Post-War Reconstruction. This experience provides a long-term advantage. It is valuable, rare, unique, and well-organized.

Comfortable and Technologically Advanced Buildings. This is also a long-term advantage. The building is valuable, rare, unique, and well organized.

Reputation and Brand Awareness. This is a long-term advantage because the building is valuable, rare, unique, and well organized.

The VRIO analysis conducted for KSE has provided insights that can enhance the institution's competitive positioning and operational effectiveness. Based on these findings, further analyses can be performed to generate strategic recommendations. Here are some actions that can be taken to improve the university's strategic position:

Strategic Improvements for Temporary Advantages. KSE University possesses valuable resources, but poor organization is hindering their full utilization. Implementing structured management systems can help transform temporary advantages into long-term benefits. Unique program offerings and English-taught programs are rare and valuable. Revamping the curriculum design and administration can enhance their quality. Developing Unique Selling Propositions can help distinguish the university from its competitors. Partnerships with renowned institutions, guest speaker engagements, and exclusive alumni programs can create a strong brand image and foster a sense of community.

Leveraging and Expanding Long-Term Advantages. The university can increase brand awareness and attract more students by leveraging its unique resources in marketing and branding. Investing in modern technology and equipped shelters can enhance the university's

status and educational facilities. To become a leading global hub, the university should focus on niche areas where it already has an edge, such as post-war reconstruction, and build strategic partnerships that leverage its strengths in economics and advanced educational facilities.

Addressing Disadvantages and Mitigating Risks. International accreditation can give universities a competitive advantage in the global market. Pursuing and promoting additional accreditations can help address any disadvantages. Regular benchmarking against top-tier institutions and continuous improvement based on feedback and academic trends can help improve weaknesses and turn them into strengths. To optimize resource allocation, universities should prioritize efficient use of all resources to maximize their benefits. Lastly, establishing robust feedback mechanisms from students, staff, and partners can help identify organizational weaknesses and adjust strategies accordingly.

These recommendations can help KSE University improve its weaknesses and leverage strengths, becoming more competitive and innovative in higher education.

SWOT Analysis

Now let's move on to the SWOT analysis. Let's delve into a synthesized overview that incorporates the previously mentioned VRIO framework, giving a strategic outline covering both internal and external factors affecting the university.

Strengths.

a. Strong reputation and brand recognition can be crucial for student recruitment and partnerships in the long run. It is important to enhance uniqueness and

organization to transition into a long-term advantage when partnering with renowned international institutions.

b. Highly qualified international faculty is a valuable and rare asset; however, its organization requires improvement to fully benefit from it. Emphasizing practical application and industry relevance is a temporary advantage, which, while not unique, is well-organized.

c. An equipped shelter used for educational purposes is a long-term advantage that offers a unique and well-organized resource in the VRIO framework.

d. Expertise in economics and post-war reconstruction is a long-term advantage that is well-organized, unique, and valuable.

e. A comfortable and technologically advanced new building is a durable competitive advantage due to its rarity and well-organized nature, according to the VRIO analysis.

Weaknesses.

a. The university has limited program offerings. To transform this weakness into a strength, they need to address the VRIO attributes of rarity and organization.

b. The university is highly dependent on tuition fees. To improve the organization and reduce financial vulnerability, it suggests a need to diversify funding sources.

c. The university has limited campus facilities and student housing. This points to a potential area for investment to increase the value and rarity of university offerings.

Opportunities.

    a. There is a growing demand for economics and business education, which can be met by leveraging the university's strengths in reputation and specialized expertise. Moreover, there is an increased need for post-war economic recovery and reconstruction, which aligns with the university's identified long-term advantage and expertise.

    b. The university has the potential to expand its online and hybrid learning offerings, reflecting the temporary advantage from VRIO. With improved organization, this could become a long-term strategic asset.

    c. Collaborations with industry partners may help in making the institution's program offerings more unique and well-organized. Lastly, accessing external funding sources could alleviate the weakness related to tuition fee dependency and improve financial stability.

Threats.

    a. The current political and economic instability in Ukraine poses a risk to the university. Therefore, the university needs to develop a strategy that capitalizes on its strengths to mitigate these risks. Additionally, the university can leverage its equipped shelter and expertise in post-war recovery as unique value propositions.

b. Brain drain is another challenge that the university faces. It threatens the rarity and value of the university's highly qualified faculty. To address this, the university can enhance its organizational aspects to retain talent.

c. Changes in government regulations might impact the organization and value of the university. Therefore, proactive policy engagement and contingency planning could be beneficial to mitigate the potential negative impact.

The SWOT analysis, when combined with the VRIO framework, provides KSE University with a comprehensive understanding of its strategic position. To capitalize on its strengths and opportunities while mitigating its weaknesses and threats, the university should aim to improve its organizational capabilities, differentiate its program offerings, and secure stable funding mechanisms. Additionally, it should prioritize expanding its online and hybrid programs, and further developing its niche in economics and post-war reconstruction to meet the increasing demand in these fields.

Value Chain Analysis

Identifying areas where the company can create the best value for customers and increase its competitive advantage is crucial. Here's an outline for a Value Chain Analysis for KSE University:

Inbound Logistics

KSE University has a well-established recruitment process for hiring highly qualified teachers. They prefer practitioners who have significant achievements in their respective fields. However, the university needs to establish better relationships with suppliers as the purchasing

of materials is currently done spontaneously. The university is looking to establish strong relationships with publishers, technology providers, and other suppliers of educational resources.

Operations

The school is committed to continuously updating and developing the curriculum to ensure that it is relevant and of high quality. This is done by taking feedback from the students into consideration. To improve the video recordings of the classrooms, cameras have been installed in each classroom on the campus.

However, due to the change in the Study Support team, there may be a decline in the management of the online platforms such as the Moodle platform. You can find more information about this in chapter 5.

Outbound Logistics

Distribution of Educational Services can be delivered through various methods including lectures, online platforms, and practical applications such as internships. Certification and degrees can be administered through exams and issuance of official documents.

Marketing and Sales

Brand management involves improving the reputation and awareness of the university's unique value proposition. Recruitment campaigns aim to target potential students through various channels such as digital marketing, alumni networks, and education fairs. Partnership building is about establishing and maintaining partnerships with other institutions, businesses, and organizations to develop programs and provide opportunities for students.

Service

Alumni Relations: Offering mentorship, networking, and funding opportunities to graduates.

Support Services: Providing counseling, financial aid, and academic advising to students.

Support Activities

Universities must manage various aspects such as governance, finance, and legal structures, which fall under the umbrella of infrastructure management. Human Resource Management is responsible for hiring, training, and developing faculty and staff, which can lead to improved performance and job satisfaction. Technology development is crucial for universities to innovate in teaching methods, online education, and administrative processes. Lastly, procurement is responsible for acquiring goods and services necessary for primary and support activities.

Firm Infrastructure

The university is expanding and developing with a focus on scaling. Funding is secured mainly through donations from donors.

Human Resource Management

In February 2024, three university departments merged, resulting in numerous dismissals and widespread discontent. More information can be found in Chapter 5.

Technology Development

The university is improving its educational technologies.

Procurement

The university does not have a separate procurement team, so KSE's Operations Department is responsible for ensuring that resources are purchased at the best prices to provide educational services and building strong relationships with suppliers.

The analysis of the University's value chain shows that the company has weaknesses that need to be addressed. Support functions are the weakest point.

Business and Operating Model

Business Model

Key Resources. KSE University is equipped with highly qualified faculty and researchers, extensive library and learning resources, exceptional campus facilities and infrastructure, and strong partnerships and collaborations with industry, government, and international organizations.

Key Activities. The key activities of KSE University include teaching, curriculum development, research, publication, student recruitment, admissions, executive education and consulting services.

Key Partners. KSE University collaborates with accreditation bodies, international universities, corporate partners, industry associations, government agencies, think tanks, alumni networks, and donor organizations.

Cost Structure. The main expenses of KSE University are faculty and staff compensation, facilities upkeep, digital tool subscriptions, library and learning resources, marketing and student recruitment, and student financial aid.

Value Proposition. KSE University offers internationally recognized degrees and accreditations, high-quality education in economics and business, practical curriculum, and leadership in economic analysis.

Channels. KSE University promotes itself through its websites and online presence, recruitment events, alumni networks, and word-of-mouth. The university also leverages corporate partnerships and collaborations to boost its reputation and visibility.

Customer Relationships. KSE University's services include personal assistance for students, corporate partnerships, alumni engagement, and public events.

Revenue Streams. KSE University generates revenue through tuition fees for undergraduate and graduate programs, executive education and corporate training, research grants and consultancy, and donations and endowments.

Operating Model

As a higher education institution, KSE has a relatively decentralized operating structure with various academic departments and an administrative unit. As we mentioned earlier, the administrative units have been merged into one. At the same time, the Business School took over the function of supporting the educational process. The leadership and management structures of the university play a crucial role in coordinating the work of various departments and ensuring consistent implementation of the strategy.

KSE's key resources are its faculty, staff, campus facilities, and teaching/research infrastructure.

KSE's core operational processes include program development and delivery, student recruitment and enrollment, research project management, and executive education and advisory services. These processes need to be streamlined, efficient, and adaptable. Continuous process improvement using data and technology can enhance operational excellence and responsiveness. During the 2023 intake, the Support Team was able to grow by only 20% due to streamlined and automated processes. Unfortunately, this trend may now be slipping.

KSE's network of partnerships, both nationally and internationally, is an important part of the operating model. The University has several important partnerships with Bocconi University and the Stockholm School of Economics.

Technology is integral to KSE's activities, requiring robust digital strategies and digital literacy among faculty and staff. An electronic circulation document system, CRM, and a dashboard have been implemented.

Chapter 3: Market and Consumer

Market Overview

As of January 1, 2024, there are approximately 1.5 million students enrolled in various

higher education institutions in Ukraine. The student population has increased from 1.3 million

on January 1, 2021, due to the rise in the number of master's level students. In 2021, there were

only 218,000 master's students, while now there are 330,000 (EDBO, 2024)

There are public and private higher education institutions (HEIs) in Ukraine. Public

universities generally have more resources, a wider range of programs and a better reputation.

Private universities are more adaptable, especially in business and technology programs, but

have fewer resources and less prestige.

The Ukrainian government regulates and finances higher education, with the main

beneficiaries being state institutions, which creates unequal competition between the private

and public sectors. Several reforms have been introduced to improve quality and transparency,

including external testing to reduce corruption.

The higher education sector is facing significant challenges due to the war: damage to

infrastructure, displacement of students and teachers, and budget constraints. However, digital

education and distance learning have become more important, allowing educational activities to

continue during the crisis.

Competition between universities is based on their academic reputation, research

results, and success in obtaining international grants and partnerships. Ukraine's higher

education system is integrated with European standards, improving its competitive position in

the international arena, but needs to be adapted to changing educational needs and technological progress.

Competition and Substitutes

The Ukrainian market for KSE has two main competitors, namely UCU and Kyiv-Mohyla Academy. When comparing higher education institutions like KSE, UCU, and Kyiv-Mohyla Academy, it's important to consider different factors that impact their market position, audience appeal, and competitive landscape.

Market Trends

KSE University offers specialized education in economics, business, and public policy, to the global trend of career-oriented education. This year, new programs in psychology and law were introduced (Kyiv School of Economics, 2024a).

UCU is renowned for its emphasis on humanities education and strong ethical values, aligning with the trend toward holistic education and personal growth (Ukrainskyi katolytskyi universytet, 2024).

Kyiv-Mohyla Academy blends traditional academic programs with innovative teaching methods, catering to the demand for interdisciplinary studies and research (Kyiv-Mohyla Academy, 2024).

Market Needs

KSE University addresses the crucial need for highly qualified professionals in the economy and business sector, which is essential for Ukraine's development and integration into the global market.

UCU meets the demand for individuals who possess high moral and ethical values and excel in all aspects, making them ideal candidates for sectors such as education, media, and social services.

Kyiv-Mohyla Academy caters to the requirement of research-oriented professionals and scholars who are instrumental in scientific progress and higher education in Ukraine.

Market Demographics

KSE University is focused on providing advanced education in economics to individuals who are either students or professionals. Typically, these individuals come from urban, economically oriented demographic groups.

UCU, on the other hand, attracts a wide range of students who are interested in humanities, theology, and social sciences. Many of these students have a background in religious or social activism.

The Kyiv-Mohyla Academy has a diverse student body that is interested in both traditional and contemporary academic disciplines. These students often have an appreciation of historical and cultural heritage.

Target Audience

KSE University focuses on providing quality education to students and professionals who aspire to make a successful career in business, finance, and public policy. UCU, on the other hand, offers a liberal arts education infused with Christian values, which appeals to students seeking personal growth and professional development. Kyiv-Mohyla Academy is an excellent

choice for students who are looking for a strong academic foundation along with ample opportunities for research and innovation.

Competition

KSE University competes with other business schools and economics faculties both in Ukraine and abroad, particularly with those offering similar specialized programs.

UCU carves out a niche for itself by its religious orientation and humanitarian focus. It primarily competes with institutions that offer a similar ethos, rather than general universities.

Kyiv-Mohyla Academy competes with other comprehensive universities in Ukraine, mainly those with a strong research focus and historical prestige.

Costs

KSE University offers specialized programs that have the potential to lead to higher earnings after graduation. Due to these programs, the university has higher tuition fees. For a Bachelor's degree, the tuition fee ranges from 420 to 480 thousand for four years of study, while for a Master's degree, it ranges from 120 to 250 thousand (Kyiv School of Economics, 2024b). It's worth noting that KSE is the first private university in Ukraine to offer state-funded spots for students.

UCU has moderate tuition fees, which can potentially be offset by funding from church and community organizations. The cost of studying at UCU ranges from 38 thousand to 320 thousand (Ukrainskyi katolytskyi universytet, 2024).

The tuition fee at Kyiv-Mohyla Academy varies depending on the program, but in general, it corresponds to the typical prices for studying at Ukrainian universities. For a

Bachelor's degree, the fee ranges from 170 thousand to 400 thousand (Kyiv-Mohyla Academy, 2024).

If we talk about substitutes, the main competitors are popular online platforms with short courses. The advantage of these courses is their practicality and cost. Among the main competitors in the Ukrainian market are LABA, Projector. They are cheaper than university education. However, the point of differentiation for KSE in this case may be social interaction. Online courses are often limited in terms of direct social interaction, although some platforms offer forums and virtual groups for discussions. KSE provides a strong social component, including opportunities for networking, group projects, student clubs and real-life meetings.

Consumer Overview

Overview of the Target Audience: Undergraduates

Demographic Profile. The vast majority of potential KSE bachelors are women (60%) from large cities of Ukraine (Kyivska shkola ekonomiky, 2023a, 2023a).

Behavioral Pattern. There are two main groups of bachelors in terms of when they learned about KSE: "owls" (75%), who learned during the active admission campaign in May-July, and "larks" (25%), who knew in advance, a year before admission. Popular pathways: applicants found out during the admission campaign, received a grant and enrolled, or found out, applied and enrolled. Also, 46% attended at least one KSE event before enrolling.

Channels of Engagement. 66% of applicants were attracted through digital channels - Google Ads, Facebook/Instagram and Telegram. The most effective offline events were those held closer to the admission period.

Driving Factors. The key drivers for bachelors were a tuition grant, international accreditation, high quality education and English-language instruction.

Deterrents. The main deterrents were tuition fees (35 per cent), accreditation issues (50 per cent) and the format of study (15 per cent).

Overview of the Target Audience: Master Students.

Demographic Profile. Unlike bachelors, the majority of potential KSE masters are men (62%), who also come from large cities.

Behavioral Pattern. Most of the master's students learned about KSE 1-2 years before enrolment. Over 70% had attended at least one university event. Popular trajectories included: find out before 2022 -> decide to apply in 2022/2023 or after receiving a grant.

Channels of Engagement. 56% were engaged through digital channels, mainly Facebook Ads and Google Ads. The most effective offline activities were directly related to the application process.

Driving Factors. As with bachelors, the key drivers were a grant, international accreditation, and a reputation for high quality education.

Deterrents. The main deterrents were cost (46 per cent), accreditation issues (13 per cent) and combining with work (8 per cent).

Chapter 4: Go-To-Market Strategy

Marketing Mix

Given the trends in higher education, we suggest that KSE University focuses on a few key points.

Launch and Diversification of New Study Programs

In the summer of 2023, KSE launched four undergraduate programs (Law, Psychology, Artificial Intelligence, Cybersecurity) and three master's programs (Urban Studies, Social Psychology, Memory Studies), adding 122 new students. Taking into account our strengths as outlined in the SWOT analysis, we propose to open new interdisciplinary programs, including:

- Post-War Reconstruction and Development Studies: covers urban planning, infrastructure development, post-war economic reconstruction policy and social rehabilitation. Students will gain skills in strategic planning, project management and economic analysis.

- Sustainability and Resilience focuses on sustainable economic practices, environmental sustainability and building resilience to future conflicts. Students learn about the principles of sustainable development and the integration of sustainable technologies.

- School of Engineering: The new School of Engineering plans to open two programs: a Master's degree in Unmanned Aerial Vehicles (UAV) and a Master's degree in Microelectronics (MEL). The UAV program focuses on the development and application of drones for defense. Students will acquire the

skills to create modern drones that play an important role in the defense of the

country. The MEL program trains specialists to develop micro- and nanosystems

that are critical for military equipment. Cooperation with leading institutions will

ensure the introduction of the latest technologies. These programs enhance

Ukraine's defense capabilities by providing the army with modern technologies

and experts. Drones and microelectronics will contribute to effective warfare,

intelligence and logistics, which is extremely important in today's challenges.

Training programs will promote technological development that will ensure

national security and defense (Ofis Prezydenta Ukrainy, 2024).

We propose to focus on the opening of the School of Engineering for several reasons.

First of all, this program is necessary and critical to support Ukraine in its fight against Russia.

Also, KSE has already negotiated a partnership with ETH Zurich, which is one of the best

polytechnic universities in the world. This partnership and the program are part of the KSE

strategy - Ukraine Tomorrow. The Ministry of Digital Transformation is also a stakeholder in this

program (Mylovanov, 2024).

Expanding Online Learning, Executive Education and Adult Learning Offerings

Interest in and participation in online learning continues to grow, with record numbers

of students enrolled in 2020 and universities launching new online programs to meet this

increased demand. The e-learning industry is expected to reach $319 billion by 2029, of which

$49 billion will be the share of the short course market (Malekos & Malekos, 2023).

KSE University has seen a significant decrease in the number of people participating in online learning and short courses (Kyiv School of Economics, 2023a).

Table 2

Number of Students in the Non-Degree Programs

Year	# of students
2017	653
2018	1233
2019	1338
2020	1310
2021	7108 (5134 online)
2022	1487
2023	1861

There are two main ways to develop online learning, executive education, and adult learning at KSE University:

1. Enrolling clients in Master's and Bachelor's courses as students. This will help to increase KSE's revenue, as the costs of teaching and conducting these courses are still budgeted for, as they are program courses, but their sale will allow to attract customers outside of KSE students. In 2023, the Economics Department decided to implement a similar plan.

2. Creating and selling short courses.

Short courses can be sold based on the capabilities of teachers. They can be implemented both offline and online. KSE University has all the resources available for this.

Managing Student Recruitment and Net Tuition Fee Income

This approach will help reduce costs and diversify revenues. This approach is implemented through several strategies and initiatives.

The first and most logical is to increase the number of students. It is implemented through increased marketing and recruitment efforts. An important stage is the summer admissions process. The 2023 admissions process was already the first step in implementing this strategy. The use of a marketing campaign with the involvement of outsourcing companies (Fedoriv, NetPeak) allowed us to have the following statistics: for the period of June-August 2023, 215,347 active users were recorded on the university website, of which 10,448 became leads, and 552 individuals were enrolled as students (Kyivska shkola ekonomiky, 2023a).

Figure 1

Funnel Conversion

KSE   **Воронка**

Етап воронки	Кількість лідів_студентів	Конверсія
Трафік	215 347	
Конверсії	10 448	4,9%
Ліди	3 098 (3 387 admission)	30%
Студенти	552	17,8%
		25,6%

However, such successful actions and results were later followed by a decline in effectiveness due to the high student attrition rate (as of 27.11.2023).

According to this data, along with a significant investment in the marketing campaign, initiatives should be taken to retain students in the first year of study:

- Improve communication with applicants: Provide a personalized experience by highlighting program strengths, student life and financial aid.

- Financial aid/scholarship strategies: collect data on student price sensitivity and reallocate budgets to key segments.

- Improving the student experience: introduce support for freshmen by senior students, additional classes and financial incentives for student life.

Establishment of an Analytics and Transformation Team at the University

A center of educational analysts should be created to collect and analyze data. A transparent, data-driven decision-making process will help evaluate ideas and build confidence in the fairness of the transformation. It is important to invest in capacity building through training and to introduce new working methods and performance management systems (Diaz-Infante et al., 2022).

Here's a pricing-focused marketing mix (see Appendix B) for KSE University, taking into account its strategic initiatives and higher education offerings:

Product Strategy. KSE University is launching a new program at the School of Engineering and expanding its online learning, management education and adult education. These programs are aimed at both traditional students and professionals.

Placement Strategy. Educational services will be provided both on campus and online, providing flexibility and wider access for international students and professionals.

Promotion Strategy. KSE University will use a targeted digital marketing campaign, partnerships with international organizations for joint degrees, and participation in post-war reconstruction initiatives to increase the visibility of the new programs.

Pricing Strategy. KSE University will implement a tiered pricing structure:

- Degree programs: competitive prices reflecting their specialized nature.

- Online courses and short programs: dynamic pricing based on demand, duration and complexity.

- Executive programs: higher prices, discounts for corporate participants and alumni.

People (Human Resources) Strategy. The success of programs depends on the involvement and qualifications of teachers. It is important to cooperate with industry experts and regularly upgrade the qualifications of teachers and staff.

Process Strategy. KSE will implement a CRM and electronic document management system to optimize the admission process. This will improve the quality of service for applicants and increase operational efficiency.

Physical Evidence Strategy. For online learning, the quality of the digital platform and ease of access will be key. For on-campus programs, supportive facilities and infrastructure are important.

Channels and Sales Strategy

KSE University has significant opportunities to diversify its educational offerings and increase its student population. However, to achieve these goals, it is necessary to implement a

comprehensive channel and sales strategy that takes into account data analytics, partnerships and operational efficiency.

Channels of Engagement

Digital channels will play a key role in attracting potential students. Targeted advertising on Google (Google Ads) and social media (Facebook, Instagram) based on data analysis will help identify and reach those segments most likely to enroll. In addition, it is necessary to expand the university's online presence through distance learning, executive education, and adult programs by providing a high-quality digital learning portal (Kyivska shkola ekonomiky, 2023a, 2023b).

Partner channels will also be important. Collaboration with international organizations, NGOs and governments will create opportunities for students to gain practical experience, participate in internships and research projects. At the same time, joint educational programs and certificates with other educational institutions will help reach a wider audience and strengthen the university's reputation.

Despite the growth of the online segment, offline channels will still play an important role. Annual open house events, interactive presentations and events just before admission (application process, express open days) will ensure direct contact with applicants and the opportunity to convince them.

Sales Strategy

Student engagement begins with intensive marketing and recruitment efforts aimed at optimizing the applicant funnel. Personalized communication targeted to target segments, with a

focus on program strengths, student life and financial aid opportunities, will help attract more potential students.

However, attracting students is not enough - retaining them is critical. To do so, it is necessary to improve the student experience and learning outcomes by introducing support from older students for newcomers, additional courses to ease first-year adjustment, and promoting student life and self-governance.

Pricing plays a key role in the sales strategy. Degree programs should be competitively priced to reflect their specialized nature. At the same time, online courses and short programs should be priced dynamically based on demand, duration and complexity of the content. Executive education can be offered at premium prices as it is targeted at professionals. However, discounts for corporate groups and alumni can be offered to increase the number of participants.

Operational Efficiency

Deploying chatbots and live chat on the website and in messengers will allow you to quickly answer applicants' questions, provide the necessary information and advice in real time. The development of a mobile application for applicants integrated with CRM will provide convenient access to information about the university, study programs, admission requirements and allow tracking the status of applications in real time.

Data-driven decision-making will help adapt educational offerings to market needs and student expectations. Analyzing the trends of past admission campaigns will help identify areas of potential growth and adjust academic programs accordingly. This will not only attract more

students, but also ensure that they receive a relevant and valuable education that meets the needs of the labor market.

Customer Experience Strategy

KSE University should be aware of the importance of creating a positive, continuous and personalized experience for its customers at all stages of their interaction, from initial engagement to graduation and further support for alumni.

Attracting Customers (Applicants)

KSE will focus on optimizing its digital presence: modernizing its website, social media activity and targeted advertising campaigns. Information about programs, requirements and the admission process will be clear and understandable, and interaction with applicants via chat, email and messengers will be fast and friendly.

Admission and Enrolment

The application process will be streamlined and intuitive, with the ability to track status online. Communication with applicants will be personalized through a CRM system. Online meetings, consultations and webinars will help applicants in the admission process.

Learning Experience

KSE will actively engage students in the university community through events, clubs and volunteer programs. Student support will be provided through mentoring, counselling and psychological assistance programs. A digital learning environment will be implemented with a portal and mobile application for easy access to materials. Regular surveys will identify opportunities for improvement.

Graduation and Further Interaction with Alumni

KSE will organize career days, meetings with employers and facilitate graduate placement. Alumni will be involved in mentoring programs and workshops and supported through events and lifelong learning opportunities.

Customer Experience Analytics

Collecting and analyzing data from the website, CRM system and surveys will help identify process bottlenecks. Using Voice of the Customer methods will provide a better understanding of customer needs and expectations. Analytical data will be used to optimize processes and initiatives.

Staff Engagement and Training

To ensure high quality of service, KSE employees will undergo regular trainings and seminars on a client-centric approach. Key performance indicators (KPIs) and a motivation system will be introduced to maintain a high level of service.

Chapter 5: Organization Strategy

Organizational Culture

In May 2023, a survey was conducted among KSE employees to determine their level of satisfaction. The survey contained a number of questions that focus on the work and interaction of university staff. The analysis showed the following results:

- Employee work experiences vary, with some finding it interesting, challenging, and driven, while others experience exhaustion and mixed motivation.

- Factors that motivate university employees include team support, colleague and supervisor support, a calm working atmosphere, and help with time management and task prioritization.

- Changes required to enhance efficiency among university staff include clearly defined tasks and goals, a calm working atmosphere, help with time management and task prioritization, and adequate technical facilities and materials.

These results indicate a strong need for team support and strengthening, as well as a relaxed working environment for university staff. This may include improving working conditions, providing better tools to complete tasks, and the importance of clearly defining roles and responsibilities.

In February 2024, a follow-up survey of Deloitte employees was conducted (Kyiv School of Economics, 2024c). The survey had the following results:

Overall Growth and Development:

1. The number of staff and students has increased, indicating the growth of the university and its success in the education market.

2. Financial performance has also improved significantly, which may indicate increased resources for investment in staff and infrastructure.

Internal Culture and Communication:

- The feelings of staff in the first survey were mixed, with fatigue and stress evident. The results of the second survey reflect the same sentiment. There is a deteriorating trend. In the second survey, we see initiatives that aim to address these issues by improving the corporate culture.

- Culture changes include new values such as "Empathy", "Curiosity", and "Humility", which should improve communication and the work environment.

Employee Satisfaction and Loyalty (eNPS):

- The eNPS score of -11.5 in the second survey indicates serious challenges in employee engagement. This forces management to focus on improving internal culture and employee engagement.

Both surveys show the significant growth and expansion of the university, but also reveal important challenges in maintaining a healthy work environment and internal culture. Measures taken since the second survey aim to address these challenges and strengthen overall employee satisfaction, which should be verified through future eNPS scores and other satisfaction measures.

To address the low eNPS and support the achievement of KSE's strategic goals, the following concrete steps can be suggested:

1. Improve internal communication through regular meetings and an internal platform for anonymous feedback.

2. Enhance working conditions and work-life balance by introducing flexible working hours, remote work, and additional days off.

3. Support professional development and career advancement through the establishment of a staff development center and a mentoring program.

4. Recognize and support employees through a recognition and reward system, including financial and non-financial rewards, and organizing corporate events.

5. Improve corporate culture by developing and implementing a clear corporate mission and values, conducting corporate culture and ethics training, and involving employees in implementing these principles.

6. Emphasize the importance of systematic changes and including employee feedback at every stage of implementation to achieve strategic goals and long-term success.

GAP Analysis

To conduct an organizational analysis of gaps at KSE, we will focus on key aspects such as organizational culture, structure, competencies, recruitment and motivation. This analysis will help identify gaps and suggest possible areas for improvement.

The organizational culture has some problematic aspects. Currently, the culture may have a low level of openness and trust, which is reflected in the low eNPS score. There is a fear

of expressing ideas or criticism because of possible negative consequences. One of the gaps is a lack of focus on creating an inclusive environment where everyone feels valued. There are also no clear corporate values that are understood and accepted by all employees. To address these issues, clear corporate values can be developed and communicated to employees, and programs can be implemented to strengthen the corporate culture, such as regular corporate meetings and employee involvement in decision-making.

The organizational structure also has some shortcomings. It may currently be too hierarchical, making it difficult to respond quickly to change and innovation. One of the gaps is the lack of flexibility of the structure to adapt to changing circumstances and innovative projects, as well as limited career development opportunities for employees. To address these issues, the structure could be reviewed to decentralize and increase flexibility, and project-oriented teams could be introduced to engage employees in different tasks.

Another one gap is the insufficient development of skills and competences in line with current and future market needs. This can be addressed by introducing training and development programs, such as webinars, seminars and corporate trainings, as well as by cooperating with universities and other educational institutions to provide specialized courses.

Recruiting and motivating employees also presents challenges. Currently, the recruitment process can be sub-optimal, with a high turnover rate. This gap is about the lack of a strategy for attracting and retaining talent, as well as an insufficient incentive system to maintain high productivity and employee satisfaction. To address these issues, you can optimize

recruitment and selection processes to speed up and improve efficiency and develop a flexible reward system that includes both tangible and intangible incentives.

Human capital and artificial intelligence (AI) play a crucial role in achieving the goals of KSE University. Several strategies can be used to overcome current challenges and difficulties.

People Strategy

Strengthen the Employer Brand

To improve the perception of KSE as an employer, it is important to develop a marketing strategy. This can be achieved by sharing success stories of former employees and students, highlighting their career opportunities. In addition, promoting flexible working conditions, corporate culture and values can help strengthen the employer brand. It is important to communicate clearly with employees and ensure that they have the right working conditions.

Collaborate with Universities and Industry Groups

One of the most effective ways to attract talented people is to establish partnership programs with leading universities. This can be done by offering internships and joint research programs that not only attract top talent, but also provide an opportunity for universities to collaborate with industry leaders. In addition, developing collaborations with technology companies and start-ups is another useful strategy for sharing knowledge and engaging in innovative practices. Such cooperation can lead to the development of new products and services, as well as provide companies with the opportunity to learn from each other's experience and knowledge.

Develop Internal Talent

We need to introduce certification and qualification programs to help improve their competencies and introduce a mentoring and coaching system to help young employees adapt and develop faster in the organization.

Strategies for Artificial Intelligence and Technology

Integrating artificial intelligence into educational processes is essential for personalizing the learning experience. By leveraging AI, students can learn based on their individual needs and learning style. Additionally, developing AI-powered systems to automate administrative tasks such as course registration can streamline operations and reduce costs. Partnering with technology companies and organizing joint research initiatives and hackathons will allow us to solve educational and social problems with innovative technological solutions. Furthermore, it is crucial to prioritize cybersecurity and data protection to safeguard sensitive information. Developing a comprehensive cybersecurity strategy and providing training for students and staff will help mitigate the risk of data breaches and ensure the safety of digital assets.

Attracting Students to Work at KSE

The university has 272 students who receive full tuition coverage, and for this they have to work 200 hours a year at KSE (Brick, 2024). Involving students in a variety of tasks will reduce the university's administrative costs.

Students can help with administrative support by maintaining records, organizing events, and performing logistical tasks. They can also be useful in the academic process by assisting during lectures, preparing teaching materials and supporting the library.

In IT support, students can set up and maintain computer equipment, solve technical problems and develop websites. In marketing and communications, they can create content for social media, prepare newsletters, and maintain contacts with partners.

Students can perform research tasks by collecting and analyzing data, preparing reports and presentations, and support student initiatives by organizing events and coordinating student clubs.

Involving students in these tasks will not only reduce university costs, but also provide students with valuable practical experience for their professional development.

Chapter 6: Financials

KSE'S P&L

First of all, we would like to clarify that these figures in the P&L are emulated and are not exact. This is being done in order not to disclose the company's data.

KSE University has three main departments: the Faculty of Undergraduate Studies and two faculties of Master's programs - the Faculty of Economics and the Faculty of Social Sciences and Humanities and a separate Business School.

As we noted in the Internal Analysis, in 2023 the university launched a number of new programs, which led to a significant increase in student enrollment and significant costs. These losses are part of a strategic investment in the rapid growth and expansion of the university's educational capabilities, which is already beginning to bear fruit. To illustrate, the marketing campaign alone represented a significant investment of "tens of thousands of dollars" (Karmanska, 2023).

One of the key recommendations is to open the School of Engineering, as it is a crucial field of science that allows students to learn practical things and help Ukraine in the war.

Further, we propose to review the P&L structure of the university to have a portfolio funding strategy in the future, which will help to clearly understand profitable projects and develop online courses

The University has total revenue of USD 4,858,252.97, of which USD 3,265,843.74 is operating revenue and USD 1,592,409.23 is non-operating revenue. General expenses include significant amounts for faculty salaries, administrative costs and building maintenance.

Key cost items:

1. Faculty salaries: A significant portion of the university's budget is allocated to faculty and administrative staff salaries.

2. Administrative costs: Administrative expenses account for a substantial part of the total costs. They encompass the salaries of administrative staff, office expenses, and university management.

3. Building maintenance: Building maintenance costs comprise utilities, repairs, and infrastructure maintenance.

Due to the limited detail of the data, only general tips for optimizing costs can be provided:

- Automation of administrative processes: Implementation of enterprise resource planning (ERP) and digital document management systems can reduce administrative costs. This includes automating student registration, financial management and accounting processes.

- Optimizing the number of administrative staff: An analysis of the roles and responsibilities of administrative staff will identify duplication of functions and opportunities for staff reduction. Introducing part-time or flexible working arrangements for some employees can reduce costs. Outsourcing some administrative functions (e.g. accounting or IT support) can also be cost-effective.

- Energy efficiency measures: Implementing energy-saving technologies, such as LED lighting, energy-efficient windows and heating and cooling systems, can help reduce building maintenance costs. Monitoring energy consumption and managing energy resources will also help reduce costs.

- Review training programs: Analyzing the effectiveness of existing courses and programs will help identify low-popular programs that can be closed or merged. The introduction of massive open online courses (MOOCs) and hybrid learning models will reduce infrastructure and facility costs.

- Optimize the cost of materials and resources: Group purchases of educational materials will allow you to receive volume discounts. The use of Open Educational Resources and e-textbooks will reduce the cost of printed materials.

Benchmarking for Financial Position

In today's educational landscape, universities are facing severe financial challenges, accompanied by declining enrolments and rising costs, requiring transformational strategies to survive and grow. These strategies include improving student learning outcomes, diversifying revenue sources beyond traditional tuition fees and grants, and increasing operational efficiency. Critical to success is engaging all university stakeholders in a shared vision, using data to drive decision-making, and ensuring alignment with the institution's educational mission. Such an environment emphasizes the importance of adaptability, innovation, and community in securing the future of higher education (Boggs et al., 2021).

Many universities are facing financial challenges, including declining student numbers and rising costs. At least 90 medium-sized institutions show signs of financial pressure. Universities need to look for new ways to diversify and increase revenue beyond traditional sources such as tuition fees and government grants. Operational efficiency is crucial to reduce costs without compromising the quality of education. Better use of available data can help address issues such as student attrition and financial aid allocation (Brasca et al., 2019).

Ukrainian Catholic University

Among KSE's main competitors in Ukraine is the Ukrainian Catholic University (UCU). It is also among the top 3 private universities in the country. UCU offers a variety of undergraduate, graduate, and postgraduate programs in theology, humanities, applied, social and health sciences. UCU's funds consist of donations and grants from Ukraine, Europe, the United States, and Canada; expenditures are distributed among academic programs, research institutes, institutional support, and other areas. A large number of students from all regions of Ukraine. Last year, 88 bilateral academic agreements were signed, and students actively participated in international programs (Ukrainskyi katolytskyi universytet, 2023).

The university makes significant efforts to provide volunteer assistance and heal the wounds of war. A significant percentage of students receive scholarships and are actively involved in volunteer programs and cultural events. Particular attention should be paid to the distribution of funds in UCU's revenues (see the Figure 2).

Figure 2

Distribution of Funds in UCU's Revenues

Revenues

- Donations and grants from Ukraine: 10%

- Donations and grants from Europe: 26%

- Donations and grants from the USA: 21%

- Donations and grants from Canada: 3%

- Distribution from sustainable funds: 5%

● Educational programs and services: 35%

Expenditure

● Training programs: 38%

● Institutional support: 22%

● Research institutes and centers: 19%

● Academic development, Collegium, library and IT: 6%

● Business expenses: 15%

As we can see, the main revenues come from donor funds, which account for 60% of all revenues.

As for the situation at KSE, we have the following data: in 2023, donor funds accounted for 62.5% of revenue.

Figure 3

Distribution of Funds in KSE's Revenues 2023

		Undergraduate Department			Economics Education			Social&Humanitarian studies			
		Forecast 2023	Approved by BoD	Deviation, USD	Forecast 2023	Approved by BoD	Deviation, USD	Forecast 2023	Approved by BoD	Deviation, USD	
Revenue											
	Tuition fees	297,543	336,584	(39,041)	136,170	297,097	(160,927)	128,733	104,530	24,204	
	Grant projects	16,545		16,545	30,000	922,280	(892,280)	232,732	320,930	(88,198)	
	Intersegment grant from Fundraising	938,806	177,531	761,274	196,168	249,167	(52,998)	266,228	73,302	192,927	1,401,202.41
	Donations	-	-	-	-	-	-	-	-	-	2,242,925.88
	Building	-	-	-	-	-	-	-	-	-	
	Other revenues	-	-	-	-	-	-	-	-	-	62.5
Total Revenues		**1,252,894**	**514,115**	**738,779**	**362,338**	**1,468,544**	**(1,106,206)**	**627,694**	**498,762**	**128,932**	

In 2024, it is planned to significantly reduce dependence on donor funds by 13.8% to 48.8%. This is due to a significant increase in funds from tuition fees and other income.

Figure 4

Distribution of Funds in KSE's Revenues 2024

		Undergraduate Department			Economics Education			Social&Humanitarian studies			
		Budget 2024	Forecast 2023	Deviation, USD	Budget 2024	Forecast 2023	Deviation, USD	Budget 2024	Forecast 2023	Deviation, USD	
Revenue											
	Tuition fees	735,827	297,543	438,284	214,080	136,170	77,910	296,465	128,733	167,732	
	Grant projects	126,927	16,545	110,382	26,020	30,000	(3,980)	61,877	232,732	(170,855)	
	Intersegment grant from Fundraising	1,181,684	938,806	242,878	242,245	196,168	46,077	576,071	266,228	309,842	175712171.4
	Donations	-	-	-	-	-	-	-	-	-	3,611,197
	Building	-	-	-	-	-	-	-	-	-	48.7
	Other revenues	88,626	-	88,626	18,168	-	18,168	43,205	-	43,205	
Total Revenues		**2,133,064**	**1,252,894**	**880,171** -	**500,514**	**362,338**	**138,176** -	**977,618**	**627,694**	**349,925** -	

KSE depends more on large, specific grants (e.g., intersegmental grants), while UCU diversifies its grant sources geographically.

UCU does not rely as heavily on any one revenue stream as we do on tuition fees and intersegmental grants.

Expenses are split between full-time and other costs for faculty, grant projects, support teams, and allocated costs for university administration, buildings, and administrative expenses. KSE's main cost categories include direct faculty costs and significant administrative and building cost allocations.

UCU's expenditures are focused on academic programs, institutional support, research institutes and centers, academic development (including the Collegium, library, and IT), and business expenses. The largest share is occupied by academic programs, followed by institutional support and research institutes.

Both organizations invest heavily in academic and educational activities (our expenditures on full-time and other faculty compared to their curricula).

UCU and KSE have significant allocations for institutional support (your indirect costs and administrative expenses of the universities compared to their institutional support).

Faculty and administrative costs heavily influence our costs, while our competitor invests most of its budget in academic programs. UCU allocates a significant part of its budget to research institutes and centers, which is not reflected in our income statement.

The competitor appears to have a more balanced allocation of academic development and business expenses compared to our more substantial administrative and building costs.
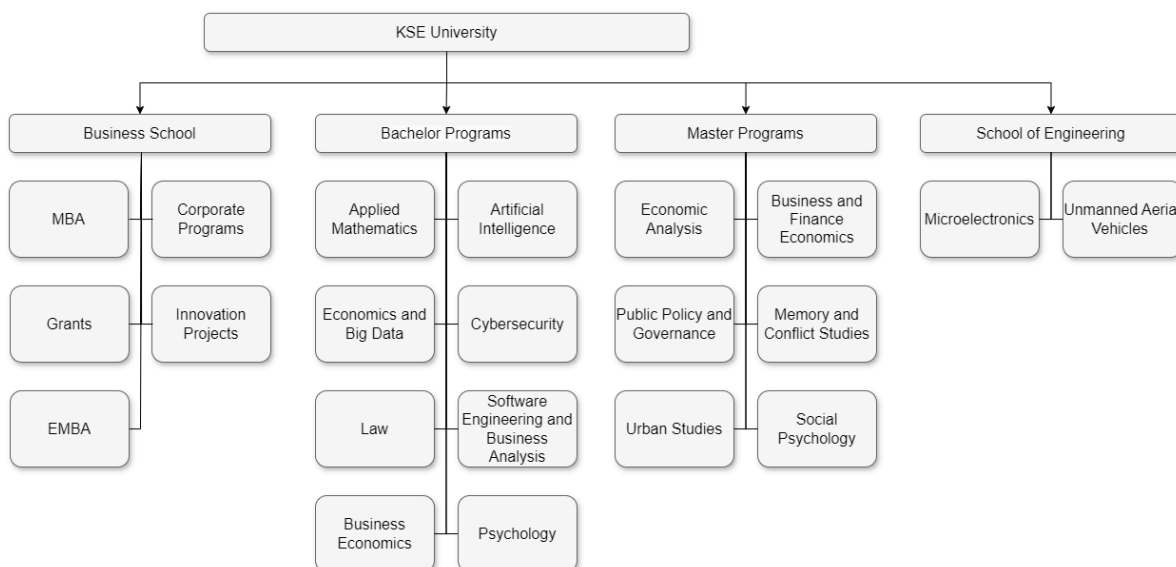
Our Suggestions

In the financial part of our work, we want to focus on several important aspects.

The first aspect is a change in the P&L structure. We propose to keep P&L by sector. For this purpose we created structure of business segments which you can see on the Figure 5

Figure 5

KSE Business Segments

Maintaining P&L by sector allows for separate accounting for each program, which allows us to see the financial results of each area. This makes it easier to identify profitable and unprofitable areas for making appropriate management decisions. Program managers get a clear understanding of their financial performance, which encourages them to work more efficiently, increasing the overall efficiency of university management. In our Excel spreadsheet, we have shown the format as it should look like.

The second aspect is the reformatting of the financial strategy into a portfolio financing strategy.

The portfolio funding strategy offers several key benefits. Firstly, distributing financial resources across different projects reduces the risk of losses, enabling a more resilient response to potential financial shocks. Secondly, more efficient management of financial flows allows for the optimal use of available resources, ensuring maximum return on investment. Lastly, investing in different areas increases the overall profitability of the portfolio, contributing to the stable growth and development of the university.

The third aspect is the opening of a new direction at the university, namely the School of Engineering. We have implemented our miscalculations in the sectoral P&L and showed how it should look in the portfolio strategy.

The School of Engineering is aimed at improving the quality of educational services and ensuring the long-term stability and growth of the university.

The fourth aspect is the opening of online courses. As we noted earlier, this is a very profitable area and KSE has had a significant impact in this sector in the past. We have outlined

our miscalculations in opening this area in an Excel file. We are confident that the KSE can attract 2000 thousand buyers of these courses per year (we take generalized data from the board's reports). This will help to generate an income of almost $100 thousand.

Key Project Parameters for School of Engineering

The project is expected to enroll 30 students for 18 months with a tuition fee of UAH 132,000 per student for the entire period. The initial investment is UAH 4,000,000, which will be used for the development of the program. The variable costs per student are UAH 26,667 thousand, the total variable costs are UAH 400,005 and the total fixed costs are UAH 600,000. The discount rate is 13.5% and the expected growth in student numbers is 15-20 students per year.

Financial Indicators for School of Engineering

Total revenue is UAH 3,960,000, marginal profit is UAH 3,560,000, net profit is UAH 2,960,000, ROI is 74%, payback period is 1,5 years, margin is 90%, and breakeven point is 6 students (see Appendix C).

The engineering school project is financially profitable in terms of margin and return on investment. With a margin of 90% and an ROI of 74%, the project has a high potential for profit generation. The introduction of a new engineering school at KSE University is a promising project with a high potential for growth and development, which will increase the overall competitiveness and sustainability of the university.

Benchmarking for the New Programs

When setting prices for the two new proposed programs at KSE - Micro and

nanoelectronics and Unmanned aerial vehicles - thorough benchmarking was performed against

existing programs at other major Ukrainian universities. The data collected on program

specializations, degree levels, and pricing is summarized in the Appendix D.

For the Micro and nanoelectronics program, benchmarks ranged from 19,900 UAH per

year at Kharkiv National University of Radio Electronics to 32,500 UAH per year at Yuriy

Fedkovych Chernivtsi National University at the bachelor's level. At the master's level, prices

ranged from 21,900 UAH per year at Kharkiv to 29,900 UAH per year at the National Technical

University of Ukraine (OSVITA.UA, 2024).

For Unmanned aerial vehicles programs, the only direct benchmarks found were a

bachelor's program at 25,000 UAH per year at Lviv Polytechnic National University and

bachelor's/master's programs both at 22,000/27,000 UAH per year at the National Aviation

University.

Based on this benchmarking data and taking into account KSE's position as a prestigious

new institution, the proposed pricing of 136,000 UAH for the full 16-month program duration

(equivalent to 8,500 UAH per month) appears to be well-aligned with existing market rates while

allowing KSE's programs to be positioned at the higher end of the price spectrum befitting an

elite engineering school. It is notable that this pricing is not higher, but in fact even lower than

the current pricing for other master's programs at KSE itself, further underscoring the attractive

value proposition of the new micro/nanoelectronics and unmanned aerial vehicles programs for

students. Also grant opportunities for students are currently received and being negotiated with

donors (Mylovanov, 2024).

Chapter 7: Project Implementation

Implementation Roadmap

The strategic initiatives and recommendations outlined in this Capstone Project aim to address the financial challenges faced by the Kyiv School of Economics and position the institution for long-term sustainability and growth. However, the successful implementation of these strategies is contingent upon a well-structured and meticulously planned execution process.

This chapter presents a comprehensive implementation roadmap that serves as a blueprint for translating the proposed strategies into tangible actions and outcomes. The roadmap is designed to ensure a systematic and coordinated approach, while maintaining flexibility to adapt to changing circumstances or emerging challenges.

The implementation roadmap is organized into distinct phases, each focusing on specific strategic initiatives and objectives. These phases are structured to allow for a logical progression, ensuring that critical foundational elements are established before moving to more advanced stages of implementation.

By adhering to this comprehensive implementation roadmap, KSE can effectively navigate the complexities of executing the proposed strategic initiatives, ensuring a coordinated and well-structured approach. However, it is crucial to maintain flexibility and adaptability throughout the implementation process, as unforeseen challenges or changes in the operating environment may necessitate adjustments to the roadmap.

The complete table detailing all tasks and milestones can be found in the excel file, but in this chapter we will concentrate on the key milestones and their associated acceptance criteria, which are:

Stage 1: Establish Project Management Office/Task Force

Milestone 1.1: PMO Team Established, Roles Assigned and Governance Structure Defined.

- Project team members identified and roles/responsibilities clearly defined

- Governance structure documented with decision-making processes and escalation paths

- Formal project charter signed off by executive sponsors

Milestone 1.2: Detailed Project Plan with Timelines, Milestones, and Deliverables Developed.

- Comprehensive work breakdown structure covering all implementation workstreams

- Realistic timelines established based on effort estimates and resource forecasts

- Clearly defined milestones and acceptance criteria for each deliverable

- Approval of project plan by steering committee

Stage 2: Prioritize and Phase New Program Launches

Milestone 2: Phased Rollout Plan with Clear Launch Timelines Developed.

- Market research and needs assessment completed for proposed new programs

- Prioritization criteria and weightings determined (e.g. revenue potential, strategic fit)

- Program rollout sequenced based on priorities, dependencies and capabilities

- Rollout plan vetted and signed off by academic council

Stage 3: Invest in Online Learning Infrastructure

Milestone 3.1: Online Learning Platform/LMS Selected.

- Detailed requirements defined based on learning needs and technology roadmap

- Evaluation process documented with criteria for reviewing vendor options

- Architecture fit, integration capabilities, and support model assessed

- Final selection approved by IT governance and academic leadership

Milestone 3.2: Course Development and Delivery Processes Defined.

- Instructional design standards and multimedia guidelines established

- Workflow for online course development, approvals and maintenance

- Policies on intellectual property, accessibility, and academic integrity

- Pilot implementation to validate processes before scaling

Milestone 3.3: Faculty and Staff Training on Online Learning Completed.

- Comprehensive training program curricula focusing on pedagogy and tools

- Delivery of training through workshops, job aids, learning portals etc.

- Assessment criteria to validate knowledge transfer

- Feedback captured and improvements identified for future trainings

Stage 4: Partners for the School of Engineering Programs

Milestone 4.1: Key Partners and Subject Matter Experts Onboarded.

- Partnership criteria and sourcing process documented

- Formal agreements/contracts in place defining terms and deliverables

- Roles and responsibilities outlined for partners and KSE teams

- Kickoff meetings held to align on ways of working

Milestone 4.2: Engineering Program Curricula and Logistics Finalized.

- Detailed curricula developed incorporating partner inputs and accreditation standards

- Required resources (faculty, facilities, technology) mapped out

- Academic and administrative policies/procedures established

- Final sign-off from curriculum committee and accreditation bodies

Stage 5: Funding and Operational Resources

Milestone 5.1: Financial Forecasting and Requirements Assessment Completed.

- Revenue projections for new programs validated

- Program costs and operational expenses estimated

- Funding gap calculated based on financial model

- Review and approval of financial forecast by finance committee

Milestone 5.2: Funding Sources Identified and Commitments Secured.

- Potential funding sources researched (grants, donors, industry sponsors)

- Proposals developed and pitched to prospective sources

- Commitment letters, contracts or preliminary approvals obtained

- Funding mix portfolio reviewed to assess risks

Milestone 5.3: Required Resources (Faculty, Facilities, Tech) Allocated.

- Faculty and staff hiring plans aligned to program rollout

- Classroom and lab facility availability mapped

- IT infrastructure design and procurement for hardware/software

- Resource allocation reviewed against operational budgets

Stage 6: Student Recruitment and Retention Initiatives

Milestone 6.1: Integrated Marketing Strategy and Campaign Implemented.

- Target student personas and geographic markets identified

- Marketing messaging, channels and promotional content developed

- Campaign activities scheduled and execution metrics defined

- Test marketing and adjustments completed prior to full rollout

Milestone 6.2: Optimized Admissions Process Through Technology.

- Current state process mapping and pain point identification

- New process design incorporating digitization and automation

- Systems configuration/integration and user testing completed

- Parallel run before full transition to new process

Milestone 6.3: Student Support Initiatives Operationalized.

- Student support policies, procedures and service catalog defined

- Recruitment and training of staff for support roles (e.g. advisors)

- Systems, tools and templates for support activities established

- Launch communication to create program awareness among students

Stage 7: Data-Driven Decision Making and Communication

Milestone 7.1: Analytics Team Established and KPIs Defined.

- Roles and responsibilities defined for analytics team

- Prioritized KPIs mapped to strategic goals and focus areas

- Data sources, tools and infrastructure requirements confirmed

- KPIs reviewed and approved by leadership team

Milestone 7.2: Data Dashboards and Reporting Processes Implemented.

- Dashboard design/layout with drill-down capabilities

- Data extraction, cleansing and loading processes automated

- Access controls and security protocols implemented

- End-user training and rollout to wider user groups

Milestone 7.3: Risk Management and Issue Resolution Processes Established.

- Risk identification, analysis and response planning methodology

- Issue management process with prioritization and escalation

- Tool/template configuration for risk and issue tracking

- Integration of risk reviews into existing governance processes

Milestone 7.4: Change Management Strategy and Plan Developed.

- Stakeholder assessment and communication plan creation

- Sponsor roadmap and change readiness assessment

- Resistance management and training plans outlined

- Sign-off on change management strategy by executive sponsors

Milestone 7.5: Continuous Improvement Processes Operationalized.

- Mechanisms for capturing user feedback and improvement ideas

- Regular process for assessing core metrics and identifying gaps

- Improvement initiatives prioritized and resourced accordingly

- Closed-loop processes to monitor, implement and sustain improvements

The acceptance criteria outlined above help ensure that each milestone deliverable meets the defined quality standards before being accepted and moving to the next phase of implementation. This promotes accountability and transparency throughout the transformation journey.

Key Resources Planning

Successful implementation of the strategic initiatives proposed in this Capstone Project requires careful planning and allocation of critical resources. This section outlines the key resources necessary for each phase of the implementation roadmap and provides a framework for effective resource management.

First, in terms of faculty and staff, it will be necessary to identify and contract the required lecturers and subject matter experts for the new program curricula, particularly for the School of Engineering programs during Stage 4. Additionally, comprehensive training programs must be designed and executed for existing faculty and staff to upskill them on online learning platforms, course development, delivery, and student support during Stage 3. Furthermore, a

dedicated Analytics team should be established to drive data-driven decision-making and continuous improvement during Stage 7.

Second, regarding online learning infrastructure, a robust online learning platform/Learning Management System (LMS) must be evaluated and selected to support course delivery, student engagement, and assessment during Stage 3. In the same stage, capabilities for course development, delivery, and student support services within the online learning environment need to be enhanced. Moreover, quality assurance methodologies must be adapted to ensure high standards for online course offerings during Stage 3.

Third, in terms of facilities and technology, necessary facilities and technology resources to support online program delivery, such as studio spaces, video production equipment, and virtual classroom tools, must be secured during Stage 5. Additionally, data dashboards and reporting processes should be implemented to enable data-driven decision-making and continuous optimization during Stage 7.

Fourth, partnerships and collaborations with industry partners, research institutions, and subject matter experts must be established to contribute to program development and delivery, particularly for the School of Engineering programs during Stage 4.

Fifth, concerning financial resources, a comprehensive financial plan should be developed, and funding sources identified to support the online learning initiatives, including operational costs, technology investments, and marketing expenses during Stage 5. Furthermore, commitments from identified funding sources must be negotiated and secured during the same stage.

Finally, regarding marketing and student support, resources should be allocated for targeted marketing campaigns across various channels to attract prospective students during Stage 6. Additionally, mentorship programs and support services should be introduced to enhance student retention and success during Stage 6. Lastly, the admissions process should be streamlined through technology enhancements to improve the student experience during Stage 6.

Getting the right resources and planning how to use them is super important for making our Capstone Project a success. We need to secure execution and responsibilities that is why RACI matrix has been developed (see Appendix E) which helps recording who is responsible for each exact milestone. That way, KSE can make sure everything runs smoothly. We might need to keep an eye on things and shuffle resources around as we go, especially if new needs pop up or we run into unexpected problems.

Risk Management

Implementing strategic initiatives in an educational institution like the Kyiv School of Economics can be a complex and challenging endeavor, fraught with various risks that could impede progress or undermine the desired outcomes. Effective risk management is crucial for ensuring a smooth implementation process and mitigating potential disruptions or setbacks. This section outlines a comprehensive risk management strategy to identify, analyze, and address potential risks associated with the implementation of the proposed strategic initiatives.

Risk Identification

The first crucial step in effective risk management is the thorough identification of potential risks that could impact the implementation process. This involves a comprehensive analysis of both internal and external factors that may pose threats or create uncertainties. To ensure a structured and data-driven approach, the risk identification process was conducted through reviewing internal data sources like historical project records, financial reports, stakeholder feedback, and organizational policies and procedures. External data sources were also analyzed, such as industry reports, market trends, regulatory changes, and economic indicators relevant to the higher education sector. Subject matter experts, including faculty members, administrators, and industry partners, were consulted to gather insights based on their expertise and experience.

Structured techniques like brainstorming session, risk checklist, and cause-and-effect diagram were employed to facilitate the identification of potential risks in a systematic and comprehensive manner. The identified risks were then categorized into strategic, operational, financial, reputational, and external risk categories to enable structured analysis, prioritization, and development of targeted mitigation strategies.

Potential risks can be categorized into the following areas:

Strategic Risks

- Changes in government policies or regulations affecting higher education

- Shifts in market demand or student preferences

- Competitive pressures from other institutions or online learning platforms

Operational Risks

- Challenges in implementing new processes or technologies

- Disruptions in the supply chain or procurement processes

- Staffing shortages or difficulties in attracting and retaining qualified personnel

Financial Risks

- Fluctuations in funding sources or donor contributions

- Unexpected increases in costs or budget overruns

- Currency exchange rate fluctuations (for international partnerships or initiatives)

Reputational Risks

- Negative publicity or damage to the institution's brand image

- Issues with the quality of educational programs or student experiences

- Conflicts or disagreements with stakeholders (e.g., students, faculty, partners)

External Risks

- Political or economic instability in the region

- Natural disasters or environmental factors

- Cybersecurity threats or data breaches

Risk Analysis and Risk Mitigation Strategies

Identifying and managing risks is crucial for the success of any organization or project.

Let's overview a risk analysis for the KSE based on the risk register (for details see Appendix F

and Appendix G). The analysis aims to anticipate potential risks, assess their likelihood and

impact, and outline appropriate mitigation strategies.

Regarding strategic risks, changes in government policies or regulations affecting higher education (Risk S1) pose a significant threat, with a 60% probability and a high impact rating of 5. Regular monitoring of policy changes and adapting strategies accordingly are recommended to mitigate this risk. Shifts in market demand or student preferences (Risk S2) have a 60% probability and a high impact rating of 4. Researching trends and adjusting offerings with the help of a contractor can help transfer this risk. Competitive pressures from other institutions or online learning platforms (Risk S3) have a 20% probability and a moderate impact rating of 3. Continuous innovation and differentiation of the university's value proposition are advised to mitigate this risk.

In terms of operational risks, challenges in implementing new processes or technologies (Risk O1) have a 60% probability and a moderate impact rating of 2. Careful planning and staff training are recommended to mitigate this risk. Disruptions in the supply chain or procurement processes (Risk O2) have a 25% probability and a moderate impact rating of 2. Diversifying suppliers and improving procurement planning can help mitigate this risk. Staffing shortages or difficulties in attracting and retaining qualified personnel (Risk O3) have a 60% probability and a moderate impact rating of 2. Developing competitive compensation and career growth opportunities can mitigate this risk.

Regarding financial risks, fluctuations in funding sources or donor contributions (Risk F1) have a 20% probability and a high impact rating of 5. Enhancing finding sources and maintaining reserves with the help of a contractor can help transfer this risk. Unexpected increases in costs or budget overruns (Risk F2) have a 60% probability and a high impact rating of 5. Implementing

strict budget controls and regular reviews can help mitigate this risk. Currency exchange rate fluctuations for international partnerships or initiatives (Risk F3) have a 20% probability and a moderate impact rating of 3. Using financial instruments to hedge against risks is recommended.

For reputational risks, negative publicity or damage to the institution's brand image (Risk R1) has a 40% probability and a moderate impact rating of 2. Implementing crisis communication plans can help mitigate this risk. Issues with the quality of educational programs or student experiences (Risk R2) have a 40% probability and a moderate impact rating of 3. Ensuring continuous improvement in program quality is advised to mitigate this risk. Conflicts or disagreements with stakeholders (e.g., students, faculty, partners) (Risk R3) have a 20% probability and a high impact rating of 4. Fostering open communication and stakeholder involvement can help mitigate this risk.

For external risks, political or economic instability in the region (Risk E1) has a 40% probability and a moderate impact rating of 3. Developing contingency plans for various scenarios can help mitigate this risk. Natural disasters or environmental factors (Risk E2) have a 10% probability and a moderate impact rating of 3. This risk may need to be accepted due to its low probability. Cybersecurity threats or data breaches (Risk E3) have a 40% probability and a high impact rating of 4. Strengthening IT security and response protocols with the help of a contractor can help transfer this risk.

Risk Monitoring and Control

Effective risk management requires ongoing monitoring and control throughout the implementation process. This involves:

- Establishing a risk monitoring system to track the status of identified risks and any emerging risks.

- Developing key risk indicators (KRIs) and risk thresholds to trigger proactive risk management actions.

- Regular risk reviews and updates to ensure that mitigation strategies remain relevant and effective.

- Implementing a risk reporting and communication system to keep stakeholders informed about potential risks and the actions being taken to address them.

- Continuously improving the risk management process by incorporating lessons learned and best practices.

Successful risk management requires a collaborative effort involving all stakeholders, including project managers, subject matter experts, faculty, staff, and external partners. By proactively identifying, analyzing, and addressing potential risks, KSE can increase the likelihood of successful implementation and ensure that the proposed strategic initiatives are executed effectively and efficiently.

Project Plan

The implementation of KSE University's strategic initiatives involves a complex set of interdependent activities and tasks that require careful coordination and control. This section outlines a comprehensive project plan that identifies the key interdependencies between various components of the implementation process and establishes project management controls to ensure effective execution and monitoring.

Interdependencies

The successful implementation of KSE University's strategic initiatives relies on the seamless integration and coordination of multiple workstreams. Each workstream represents a specific area of focus or a set of related activities. The following interdependencies have been identified:

Program Development and Launch. Curriculum design and development for new programs is a prerequisite for faculty recruitment, marketing campaigns, and enrollment. Establishing partnerships with relevant organizations and industry stakeholders is crucial for ensuring practical and industry-relevant program content.

Online and Executive Education Expansion. Market research and analysis of high-demand programs must precede course development and instructional design efforts. The development of online course materials and learning management systems (LMS) is a prerequisite for launching pilot online programs. Securing partnerships with corporate clients and industry associations is essential for the successful delivery of executive education programs.

Operational Efficiency and Process Improvements. A comprehensive review of existing operational processes must be conducted before implementing process optimization initiatives. Data analytics capabilities and business intelligence tools need to be established to support data-driven decision-making. The implementation of a customer relationship management (CRM) system is dependent on the successful integration with existing student information systems (SIS) and other relevant databases.

Infrastructure and Resource Planning. Securing necessary financial resources and budget allocations is a prerequisite for all implementation activities. The availability of human resources (faculty, staff, subject matter experts) and their timely recruitment is critical for various workstreams. Technology infrastructure upgrades, such as learning management systems, data analytics platforms, and process automation tools, must be completed before their respective implementation phases.

Project Management Controls

To ensure effective execution, monitoring, and control of the implementation process, the following project management controls will be established:

Governance Structure

- A dedicated Project Management Office (PMO) will be established to oversee and coordinate all implementation activities.

- A project steering committee, comprising senior leadership and stakeholder representatives, will provide strategic guidance and decision-making support.

Project Monitoring and Reporting

- A project dashboard will be developed to track progress, milestones, and key performance indicators (KPIs) for each workstream.

- Regular project status meetings and progress reports will be conducted to identify potential issues, risks, or dependencies that require attention.

Change Control Process

- A formal change control process will be implemented to manage and approve any changes or deviations from the original project plan.

- Change requests will be evaluated based on their impact on scope, schedule, budget, and resource requirements.

Risk Management

- A comprehensive risk management plan (as outlined in the Risk Management section) will be established and regularly reviewed.

- Risks will be monitored, and mitigation strategies will be implemented as necessary to minimize potential disruptions or negative impacts.

Quality Assurance and Testing

- Quality assurance processes, such as peer reviews, pilot testing, and user acceptance testing, will be implemented to ensure the quality and effectiveness of deliverables (e.g., curriculum, online courses, process improvements).

Stakeholder Management and Communication

- A stakeholder management plan will be developed to identify key stakeholders, their interests, and communication needs.

- Regular communication channels (e.g., newsletters, forums) will be established to keep stakeholders informed and engaged throughout the implementation process.

By adhering to this project plan and implementing the necessary project management controls, KSE University can effectively manage the interdependencies between various

workstreams, ensure timely execution, and maintain visibility and control over the

implementation process. Regular monitoring, reporting, and adjustment mechanisms will enable

the project team to respond proactively to any challenges or changes that may arise, ensuring a

successful and seamless implementation of the strategic initiatives.

Chapter 8: Conclusions

This final project develops a comprehensive strategy to address the financial challenges faced by the Kyiv School of Economics and position the institution for long-term sustainable development and growth. The project conducted an in-depth analysis of the internal and external environment, market position and financial performance of KSE. Key strategic initiatives have been proposed, including the launch of new interdisciplinary academic programs and the expansion of online education. To ensure the successful implementation of the proposed initiatives, a detailed implementation roadmap, resource planning and risk management strategy are outlined.

The proposed strategic initiatives include:

- Launching new programs within the School of Engineering that will allow students to learn practical skills and help Ukraine in the war. This is an extremely important program right now.

- Expanding online offerings: We developed a P&L for online courses, which will allow the university to meet the growing demand for flexible learning.

- Portfolio funding strategy: We redesigned the university's P&L into a sectoral approach, which will help to clearly understand profitable projects and allocate resources efficiently.

- Determining the break-even point: We found the break-even point for new programs, which allows us to better plan financial strategies.

- Implementation plan and timelines: We created a detailed implementation plan for strategic initiatives and defined timelines for their implementation.

- Risk assessment: We calculated potential risks and developed strategies to manage them to ensure stability and growth.

By implementing these recommendations and adhering to the proposed strategic initiatives and roadmap for their implementation, KSE will be able to overcome current challenges, secure its financial future and become a leading institution in the post-war higher education landscape in Ukraine and beyond.

Reflection of Usage

Mariia`s reflection

Studying at the MBA program was not only an academic challenge for me, but also an incredible experience of personal growth. Over the course of two years, I learnt how to effectively lead teams, motivate colleagues and make important decisions. It was fascinating to see how our joint work leads to success.

Numerous presentations and discussions helped me improve my communication skills. I am now more confident in expressing my thoughts and ideas, which allows me to work better with others.

Courses in finance and strategic management enabled me to develop critical thinking and data analysis skills. This has helped me a lot in making informed business decisions. Studying project management was a valuable experience for me. I learnt how to plan, organize and control projects in a way that achieves the goals set effectively and without unnecessary stress.

Another important part of my experience was the interaction with colleagues and teachers. I learnt how to work in a team and build professional relationships that will be useful in my future career.

Thanks to these two years, I feel ready for new challenges. The skills I have acquired have become a solid foundation for my further professional development and will help me achieve high results in any field of activity.

Yevhenii's reflection

The MBA Capstone Project has been a culminating experience that allowed me to apply the knowledge and skills acquired during the MBA program to solve a real business problem. The project provided an opportunity to engage in practical problem-solving, strategic thinking, and decision-making processes that are essential in the business world.

One of the main applications of the Capstone project was the integration of various functional areas of business. During the project, I was able to synthesize and use concepts from different MBA courses such as (in order of the Capstone chapters): Strategic Management, Marketing, Leadership and People Management, Financial and Managerial Accounting, Project Management, and others. I recalled all the mini-projects we did, and all the assignments we completed. Honestly, I wanted to explore and do much more for the project, but there are limitations on the scope of work, so we had to comply with these requirements.

Additionally, the Capstone project fostered the development of critical thinking and analytical skills. I perfected my abilities to collect and analyze data from various sources, identify key trends and patterns, and draw deep conclusions. The project also required me to evaluate different alternatives and make informed decisions based on the available information and analysis.

The project also provided an opportunity to refine my communication and presentation skills. Since I worked on a project in a pair with Mariia, I had to effectively convey complex ideas and conclusions to my partner, as well as to various stakeholders, including professors and industry professionals we consulted during the project preparation. This experience helped me

develop the ability to adapt my communication style to different audiences and present

information clearly and concisely. Additionally, it was valuable to learn to listen and

hear/understand the other side, which is important for success.

Furthermore, I was able to apply and improve project management principles. Setting

goals, planning meetings, discussing and debating, conducting research, and then synthesizing

conclusions in the work – all of this is not easy. Especially when there is insufficient data and

little understanding of how to solve a particular situation. However, solutions are found in the

process, new tasks are added, which help to reach the set goal.

Overall, the two years of studying in the MBA program have been an invaluable

experience with new acquaintances, knowledge, experiences, and the MBA Capstone Project has

been the culmination of it all. My sincere thanks to my professors, classmates, and the team for

everything! The lessons and skills gained during this project and the program as a whole will

undoubtedly be useful in my future career.

Disclaimer of AI Usage

In the preparation of this MBA capstone project, artificial intelligence (AI) tools were utilized to assist with certain tasks. Specifically, AI was employed for the following purposes:

- Source identification:

    AI tools were used to search for and locate relevant articles, research papers, and other sources pertaining to the topic of this project. The AI aided in efficiently identifying potentially useful sources from large databases and repositories.

- Quotation rephrasing:

    In some instances, AI language models were leveraged to rephrase or rearrange quotations from sources while preserving the original meaning and intent. This was done to improve the flow and clarity of the text.

- Grammar and error checking: AI writing assistants were utilized to check the text for grammatical errors, spelling mistakes, and other issues related to language usage and writing quality. The AI provided suggestions and feedback to enhance the overall quality of the written content.

It is important to note that while AI tools were employed for the aforementioned tasks, the core research, analysis, and intellectual contributions presented in this capstone project are the original work of the authors.

The authors take full responsibility for the accuracy, integrity, and ethical use of the sources cited, as well as for the conclusions and recommendations made within this capstone project.

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Appendices

Appendix A: VRIO Analysis

Internal Resource	V	R	I	O	Compared to competitors (1-4)
International accreditation	+	-	-	-	(1) disadvantage
Strong alumni network interaction	+	+	-	-	(2) parity
Unique program offerings	+	+	-	-	(2) parity
Partnerships with renowned institutions	+	+	-	+	(3) temporary advantage
Top Ukrainian and international guest speakers	+	+	+	-	(3) temporary advantage
Emphasis on practical application	+	+	-	+	(3) temporary advantage
Highly qualified international faculty	+	+	+	-	(3) temporary advantage
Online/hybrid learning options	+	+	+	-	(3) temporary advantage
Resource allocation and utilization	+	+	+	-	(3) temporary advantage
Programs taught entirely in English	+	+	+	-	(3) temporary advantage
Equipped shelter used for education purposes	+	+	+	+	(4) long-term advantage
Expertise in economics and post-war reconstruction	+	+	+	+	(4) long-term advantage
Comfortable and technological new building	+	+	+	+	(4) long-term advantage
Reputation and brand recognition	+	+	+	+	(4) long-term advantage

Appendix B: Marketing Mix

Product	Introduce programs that combine elements from different fields such as business, technology, and social sciences, tailored to meet current market demands and future career opportunities.
Price	Competitive tuition fees with generous scholarship and financial aid opportunities
	Flexible payment plans and installment options for students from low-income backgrounds
	Potential work-study programs or on-campus employment opportunities
	Develop a pricing model that provides different levels of service and access, allowing for increased affordability for a broader range of students while meeting revenue targets.
Place	Implement a flexible education delivery model that combines online and in-person classes to enhance accessibility and accommodate a wider range of student preferences.
Promotion	Data-Driven Marketing: Leverage analytics to tailor marketing efforts more effectively, focusing on digital channels like social media, email marketing, and online advertising.
	Strategic Partnerships: Collaborate with industry and academic partners to co-promote programs and expand reach.
People	Recruit and develop faculty members with industry experience and a passion for mentoring young talent
	Provide comprehensive training for student support staff to ensure personalized guidance and counseling
	Engage successful alumni as mentors and role models for current students
	Foster a welcoming and inclusive campus culture that values diversity and personal growth
Physical Evidence	Well-equipped classrooms, libraries, and study spaces
	Modern technology and learning resources accessible to all students
	Comfortable and affordable on-campus housing options
	Student lounges, recreational facilities, and social spaces to foster a vibrant campus life
Process	Streamlined and user-friendly application and enrollment processes
	Efficient financial aid and scholarship application procedures
	Personalized academic advising and course registration support
	Seamless integration of hybrid and online learning platforms for flexible course delivery

Appendix C: Financial Indicators for School of Engineering

Indicator	Value	Value, USD	Formula
Expected number of students	30	-	
Price per student, UAH	132 000,00	3 316,58	-
Total revenue, UAH	3 960 000,00	99 497,49	Expected number of students * Price per student
Variable costs per student, UAH	26 666,67	670,02	Total variable costs / Expected number of students
Total variable costs, UAH	400 000,00	10 050,25	Expected number of students * Variable costs per student
Total fixed costs, UAH	600 000,00	15 075,38	-
Marginal profit, UAH	3 560 000,00	89 447,24	Total revenue - Total variable costs
Net profit, UAH	2 960 000,00	74 371,86	Marginal profit - Total fixed costs
ROI, %	74%		(Net profit / Initial investment) * 100%
Payback period, years	1,35		Initial investment / Annual net profit
Marginality, %	90%		(Marginal profit / Total revenue) * 100%
Break-even point, students	5,7		Fixed costs / (Price per student - Variable costs per student)

Appendix D1: Benchmarking for the New Programs

Organization Name	Level	Specialization	Program	Price per year, UAH	Price total, UAH	Number of students
Oles Honchar Dnipro National University	Masters	Micro- and nanosystems technology	Micro- and nanosystems technology	21 000,00	42 000,00	0
Oles Honchar Dnipro National University	Bachelors	Aviation, rocket and space technology	Design, manufacture and operation of unmanned systems and complexes	16 000,00	64 000,00	5
Oles Honchar Dnipro National University	Bachelors	Computer engineering of unmanned aerial vehicles and systems	Applied mathematics	18 000,00	72 000,00	3
Zhukovsky National Aerospace University "Kharkiv Aviation Institute"	Bachelors	Micro- and nanosystems technology	Micro- and nanosystems technology	19 950,00	79 800,00	68
Lviv Polytechnic National University	Masters	Micro- and nanosystems technology	Micro- and nanosystems technology	28 000,00	56 000,00	98
Lviv Polytechnic National University	Bachelors	Aviation, rocket and space technology	Unmanned aerial vehicles	25 000,00	100 000,00	66
National Technical University of Ukraine "Igor Sikorsky Kyiv Polytechnic Institute"	Bachelors	Aviation, rocket and space technology	Engineering of aviation, rocket and space systems; Engineering of unmanned and autonomous systems; Aircraft and helicopters	29 900,00	119 600,00	0
National Technical University of Ukraine "Igor Sikorsky Kyiv Polytechnic Institute"	Bachelors	Micro- and nanosystems technology	Electronic micro- and nanosystems and technologies; Micro- and nanoelectronics	24 900,00	99 600,00	112

Appendix D2: Benchmarking for the New Programs (Continuation)

Organization Name	Level	Specialization	Program	Price per year, UAH	Price total, UAH	Number of students
National Technical University of Ukraine "Igor Sikorsky Kyiv Polytechnic Institute"	Masters	Micro- and nanosystems technology	Micro and nanoelectronics	29 900,00	59 800,00	16
National Technical University of Ukraine "Igor Sikorsky Kyiv Polytechnic Institute"	Masters	Micro- and nanosystems technology	Micro- and nanosystems technology	29 900,00	59 800,00	16
National Aviation University	Bachelors	Air transport	Unmanned aerial systems	22 000,00	88 000,00	65
National Aviation University	Masters	Air transport	Unmanned aerial systems	27 000,00	54 000,00	18
Kharkiv National University of Radio Electronics	Bachelors	Micro- and nanosystems technology	Micro and nanoelectronics	19 900,00	79 600,00	38
Kharkiv National University of Radio Electronics	Masters	Micro- and nanosystems technology	Micro- and nanoelectronic devices and instruments	21 900,00	43 800,00	9
Uzhhorod National University	Bachelors	Micro- and nanosystems technology	Micro and nanoelectronics	27 200,00	108 800,00	9
Yuriy Fedkovych Chernivtsi National University	Bachelors	Micro- and nanosystems technology	Micro- and nanosystems technology	32 500,00	130 000,00	34
Vinnytsia National Technical University	Bachelors	Micro- and nanosystems technology	Micro- and nanosystems technology	23 500,00	94 000,00	11
Vinnytsia National Technical University	Masters	Micro- and nanosystems technology	Micro- and nanosystems technology	28 000,00	56 000,00	10

Appendix D3: Benchmarking for the New Programs (Continuation)

Organization Name	Level	Specialization	Program	Price per year, UAH	Price total, UAH	Number of students
Ivan Puluj Ternopil National Technical University	Bachelors	Micro- and nanosystems technology	Micro- and nanosystems technology	26 480,00	105 920,00	22
Ivan Puluj Ternopil National Technical University	Masters	Micro- and nanosystems technology	Micro- and nanosystems technology	28 590,00	57 180,00	11
Lutsk National Technical University	Bachelors	Micro- and nanosystems technology	Micro- and nanosystems technology	21 800,00	87 200,00	17
Lutsk National Technical University	Masters	Micro- and nanosystems technology	Micro- and nanosystems technology	26 000,00	52 000,00	14
Zaporizhzhia National University	Bachelors	Micro- and nanosystems technology	Micro- and nanosystems technology	15 180,00	60 720,00	80

Appendix E1: RACI Matrix

Milestone ↓	Role / Person ↓														
	PM1	PM2	PM3	PM4	HPMO	AD	HA	HM	HS	HRD	HL	CFO	COO	CEO	Partners
Milestone 1.1: PMO team established, roles assigned and governance structure defined										R	C	C		A	
Milestone 1.2: Detailed project plan with timelines, milestones, and deliverables is developed	R	R			A									C	
Milestone 2: A phased rollout plan with clear launch timelines is developed	R	R			A									C	
Milestone 3.1: Online learning platform/LMS is selected			R		A									I	
Milestone 3.2: Course development and delivery processes are defined	R	R			A									I	
Milestone 3.3: Faculty and staff training on online learning is completed				R	A										
Milestone 4.1: Key partners and subject matter experts onboarded	R				A	C									C
Milestone 4.2: Engineering program curricula and logistics finalized		R			R	A					R				
Milestone 5.1: Financial forecasting and requirements assessment completed				R	R							A	C	I	
Milestone 5.2: Funding sources identified and commitments secured			R		A										

Milestone 5.3: Required resources (faculty, facilities, tech) allocated	R	A	C

Appendix E2: RACI Matrix (Continuation)

Milestone ↓	PM1	PM2	PM3	PM4	HPMO	AD	HA	HM	HS	HRD	HL	CFO	COO	CEO	Partners
Milestone 6.1: Integrated marketing strategy and campaign implemented across channels		R			R			A	C						
Milestone 6.2: Optimized admissions process through technology enhancements	R				A				C			C			
Milestone 6.3: Student support initiatives (mentoring, services) operationalized			R		A	C				C					
Milestone 6.4: Admission delivered		R							A						
Milestone 7.1: Analytics team established and KPIs defined				R						R		C	C		A
Milestone 7.2: Data dashboards and reporting processes implemented		R			R		A/R								
Milestone 7.3: Risk management and issue resolution processes established			R		A		C								
Milestone 7.4: Change management strategy and plan developed	R				A										
Milestone 7.5: Continuous improvement culture fostered through data-driven adjustments			R	R	A		C								

Appendix F1: Risk Register

Risk	Risk description	Risks group	Risk effect	Risk Controller	Probability, %	Impact (from 1 to 5)	Risk map	Action	Risk Treatment
R1	Negative publicity or damage to the image	Reputational/Image	Erodes trust and	Controller	40%	2	6	Mitigate	Implement crisis communication
S1	Changes in government policies or regulations affecting higher education	Strategic/ Industry and market	May affect operations and compliance	Head of Legal	60%	5	20	Mitigate	Monitor policy changes and adapt strategies
R2	Issues with the quality of educational programs or student experience	Reputational/Quality	Impacts student satisfaction	Vice Rector	40%	3	9	Mitigate	Ensure continuous
S2	Shifts in market demand or student preferences	Strategic/Market	Can lead to decreased enrollment	CMO	60%	4	16	Transfer	Research trends and adjust offerings with the help of a contractor
R3	Conflicts or disagreements with stakeholders (e.g., students, faculty, partners)	Reputational/Stakeholder engagement	Can lead to disengagement	CMO	20%	4	8	Mitigate	Foster open communication
S3	Competition (e.g., other, larger institutions or online learning platforms)	Strategic/Market	Risk of losing market share	CMO	20%	3	6	Mitigate	Innovate and differentiate KSE's value proposition
E1	Political or economic instability in the region	External/Region	Affects operations and safety	COO	40%	3	9	Mitigate	Develop contingency plans for various scenarios
O1	Challenges in implementing new processes or technologies	Operational/ Processes	Could disrupt educational delivery	COO	60%	2	8	Mitigate	Plan carefully and train staff
E2	Natural disasters or environmental factors	External/Environmental	Can disrupt campus activities	COO	10%	3	3	Accept	Accept
O2	Disruptions in the supply chain or procurement processes	Operational/ Processes	May cause delays or increased costs	COO	25%	2	4	Mitigate	Diversify suppliers and improve procurement planning
E3	Cybersecurity threats or data breaches	External/Cyber	Risks loss of sensitive data	IT	40%	4	12	Transfer	Strengthen IT security and response protocols with the help of a contractor
O3	Staffing shortages or difficulties in attracting and retaining qualified personnel	Operational/HR	Affects quality of education and operations	HRD	60%	2	8	Mitigate	Develop competitive compensation and career growth opportunities
F1	Fluctuations in funding sources or donor contributions	Financial/Donors	Impacts budget and financial planning	Head of CF	20%	5	10	Mitigate	Diversify funding sources and maintain reserves
F2	Unexpected increases in costs or budget overruns	Financial/Cost increase	Leads to financial strain	CFO	60%	5	20	Mitigate	Implement strict budget controls and regular reviews
F3	Currency exchange rate fluctuations (for international partnerships or initiatives)	Financial/Currency	Affects international partnerships	CFO	20%	3	6	Mitigate	Use financial instruments to hedge against risks

Appendix F2: Risk Register (Continuation)

Appendix G: Risk Map

Impact		<20%	20-39%	40-59%	60-79%	>80%
	Critical, > USD 1 mln	5	10	15	20	25
	High, USD 0,5-0,99 mln	4	8	12	16	20
	Medium, USD 0,25-0,49 mln	3	6	9	12	15
	Low, USD 50.000-249.999	2	4	6	8	10
	Insignificant, < USD 50.000	1	2	3	4	5

Probability