

Working with Educational Agents: Best Practices

AACRAO Annual Meeting

25th March 2008

Orlando, Florida

Ron Cushing, Director International Services

Jon Weller, Associate Director of Admissions

cushinrb@email.uc.edu

Jonathan.weller@uc.edu

Why even discuss New Models for Student Recruiting?

“America’s problems are rooted in the aftermath of 9/11, as visa problems are resolved, our numbers will increase... Won’t they?”

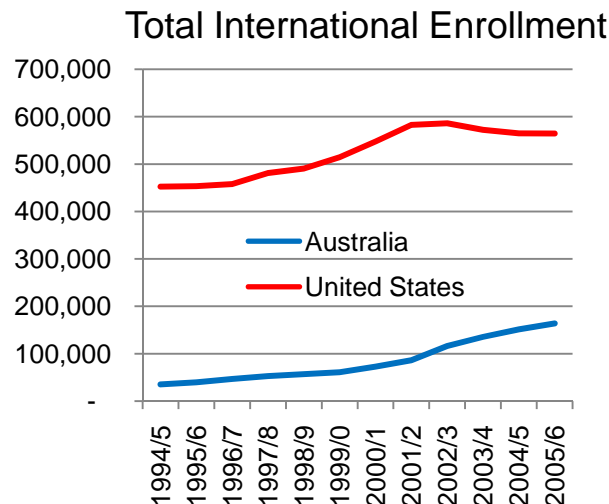
Not necessarily.

America’s allies in the war continue to experience strong and continued growth. The explanation must go beyond war and visas.

Marketing explains much of their success.

International Student Enrollment *(Tertiary)*

Australia and USA Compared



	1994/5	1995/6	1996/7	1997/8	1998/9	1999/0
Australia	35,290	39,685	46,773	52,897	56,897	60,914
United States	452,635	453,787	457,984	481,280	490,933	514,723

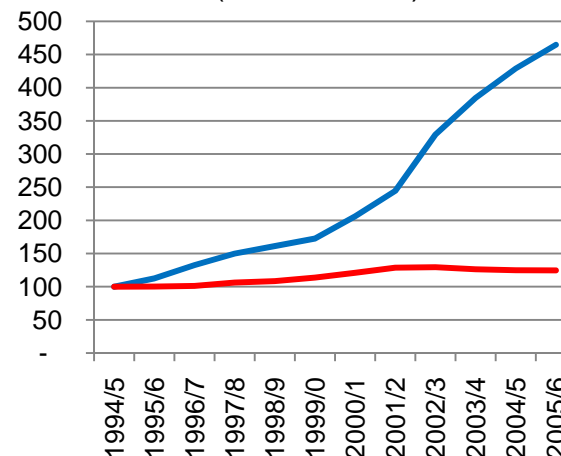
	2000/1	2001/2	2002/3	2003/4	2004/5	2005/6
Australia	72,717	86,269	116,236	135,683	151,304	163,930
United States	547,867	582,996	586,323	572,509	565,039	564,766

International Enrollment Index (1994/5=100)

	1994/5	1995/6	1996/7	1997/8	1998/9	1999/0
Australia	100	112	133	150	161	173
United States	100	100	101	106	108	114

	2000/1	2001/2	2002/3	2003/4	2004/5	2005/6
Australia	206	244	329	384	429	465
United States	121	129	130	126	125	125

International Enrollment Index (1994/5 = 100)



Current Models

- There are many models for international recruiting, including:
 - Tours (Linden Tours, CIS Tours, Indus Foundation, etc.)
 - EducationUSA offices and high school visits
 - College Fairs
 - Marketing Products (websites, search engines, magazines, virtual fairs)

Current Models Con't

- Or, no recruitment strategy at all - the “students have always found us” model
- Most US universities use a combination of all these models, with one common theme: “Helicopter Marketing”

“Helicopter Marketing” – drop in and take off !

Some generalizations...

- Heavy reliance on Road Shows and Recruiting Fairs
- Little use of local recruiting teams – either professional or alumni-based
- High Cost / Short Half-Life / Low Impact
- Representatives who charge students for admission advisory services
- Long distance admissions counseling

Agent Models

- Common US Agent Recruitment Models:
 - University does not work with agents at all (“it’s illegal” and “agents are unethical”)
 - University works with agents, but pays them “marketing fees” rather than “commissions”
 - University works with agents who do not charge university any fees (because they are charging the student)
 - University accepts applications from agents (but probably doesn’t know the application was submitted by an agent)

Common Theme With These Agent Models

- Agent-University relationship is not transparent to students
- University hides its agent affiliation from other universities (and NACAC)
- Agents incur many expenses (such as visiting university campus, advertisements, etc.)
- Students are not motivated by university to use agents

The New Model: Agents as Partners

- Agent-University relationship is promoted (such as university website and marketing materials)
- University sees agents as instrumental to marketing and admissions efforts, provides necessary resources, training, site visits, etc.
- Universities work together with same trusted agents – strength in numbers and “co-opetition”
- *This model is based off the Australian approach*

Benefits to Agents as Partners

- Empowers the student – students know who to trust
- Empowers the university – they have trusted representatives acting on their behalf
- Pay on a commission basis – university compensation is based on performance
- Use of agents offsets many of the initial costs of international student recruitment (keeps staff costs down)

Australian International Recruiting Methods

Some generalizations... ***Sustained, Success-based, Localized***

- Utilization of commission-based recruiting agents
- Shifts marketing costs to back-end, instead of front-end
- *Outsourcing front-end admissions process* to trusted third-party agent
- Reliance on *local experts*, permanently in-country, operating on the same time and in the same language.
- Recruiting fairs as a supplemental (not central) activity – often staffed by local representatives and alumni.
- Focused visits to train agents / interview pre-screened candidates – no superficial “helicopter drops”

A Flat World Strategy

American Exceptionalism

Fact: *American admissions officers generally reject the utilization of commission-based agents – despite their proven effectiveness, first for the Aussies, and now for the Kiwis, Brits and Canadians.*

Why? The reasons given vary, but most reveal a near total lack of understanding of global developments and innovations in international student recruitment – most of which have been initiated by the Australians. *False claims abound.*

“It’s illegal. Title IV prohibits paying commissions to recruiters. And the National Association for College Admission Counseling (NACAC) prohibits the practice.”

“It’s unethical. Agents do not work in the interest of the students.”

Not *ILLEGAL*

Title IV Explicitly Permits Commission-based Recruiting of Foreign Students

From Title IV:

(b) By entering into a program participation agreement, an institution agrees that –

(22)(i) It will not provide any commission, bonus, or other incentive payment based directly or indirectly upon success in securing enrollments or financial aid to any person or entity engaged in any student recruiting or admission activities or in making decisions regarding the awarding of title IV, HEA program funds, except that ***this limitation does not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive title IV, HEA program funds.*** [italics added]

Not Prohibited BY NACAC

Title IV Explicitly Permits Commission-based Recruiting of Foreign Students

NACAC's Statement of Principles of Good Practice (SPGP) states under Mandatory Practices (section I.A.3) that Members agree to: “[N]ot offer or accept any reward or remuneration from a secondary school, college, university, agency, or organization for placement or recruitment of students”.

However... NACAC has stated “***our SPGP does not directly address commission payments for recruiters of foreign students. Part of that limitation is due to the fact that federal law, which bans ‘commissioned sales in admission’ domestically, specifically exempts recruiters of foreign students.***”

Not Unethical

A Highly Developed Regulatory Framework Exists, One Which Is Becoming an International Standard of Best Practice, Consumer Protection and Ethical Practice – Comprised of the Australian ESOS Act and its Related Framework

Working within this framework ensures the highest ethical standards and consumer protection.

Why? How?

An Australian innovation in consumer protection

Education Services for Overseas Students (ESOS) Act 2000



http://aei.dest.gov.au/AEI/ESOS/EasyGuide_ESOS.htm

Established under the ESOS Act:

***The National Code of Practice for Registration
Authorities and Providers of Education and Training to
Overseas Students (“The National Code”)***

The Framework

*[The **ESOS Act**] protects Australia's reputation for delivering quality education services and the interests of overseas students ... The legislation mandates a nationally consistent approach to registering education providers so that the quality of the tuition, and care of students, remains high. The professionalism and integrity of the industry is further strengthened by the ESOS legislation's interface with immigration law. This imposes visa related reporting requirements on both students and providers...*

<http://aei.dest.gov.au/AEI/ESOS/Default.htm>

*The **National Code** is a set of nationally consistent standards that governs the protection of overseas students and delivery of courses to those students by [registered Australian education providers]*

<http://aei.dest.gov.au/AEI/ESOS/NationalCodeOfPractice2007/default.htm>

National Code Standards

Pre-enrollment engagement of students

Standard 1

Marketing information and practices

Standard 2

Student engagement before enrolment

Standard 3

Formalisation of enrolment

Standard 4

Education agents

Care for and services to students

Standard 5

Younger students

Standard 6

Student support services

Students as consumers

Standard 7

Transfer between registered providers

Standard 8

Complaints and appeals

The student visa programme

Standard 9

Completion within the expected duration of study

Standard 10

Monitoring course progress

Standard 11

Monitoring attendance

Standard 12

Course credit

Standard 13

Deferring, suspending or cancelling the student's enrollment

Staff, educational resources and premises

Standard 14

Staff capability, education resources and premises

Standard 15

Changes to registered providers' ownership or management

The National Code

Outcome of Standard 4 (Education Agents)

“Registered providers take all reasonable measures to use education agents that have an appropriate knowledge and understanding of the Australian international education industry and do not use agents who are dishonest or lack integrity.”

Four directives specify the obligations of educational institutions required to achieve this outcome.

Australian Vice Chancellor's Committee (AVCC)

“Provision of Education to International Students: Code of Practice and Guidelines for Australian Universities”

April 2005 (and earlier)

- Specifically addresses recruiting agents, while explicitly referencing the ESOS Act and National Code
- Mandates appropriate practices in 13 separate sections

<http://www.universitiesaustralia.edu.au/documents/publications/CodeOfPracticeAndGuidelines2005.pdf>

ESOS Criminal Penalties – examples

108 Providing false or misleading information

A person is guilty of an offence if the person provides false or misleading information in complying or purporting to comply with any of the following provisions:

- (a) section 13 (fund manager may require information);
- (b) section 19 (giving information about accepted students);
- (c) section 20 (sending students notice of visa breaches);
- (d) subsection 26(1) or (3) (disclosure obligations of registered providers).

Maximum penalty: Imprisonment for 12 months.

Note: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

ESOS Criminal Penalties – examples

110 Bogus providers

- (1) A person is guilty of an offence if:
 - (a) the person intentionally provides, purports to provide or offers to provide a course to overseas students; and
 - (b) the course is not genuine; and
 - (c) in engaging in the conduct mentioned in paragraph (a), the person intends to facilitate, or is reckless as to facilitating, a breach of one or more conditions of any of the students' visas (whether or not a breach in fact occurs).

Maximum penalty: Imprisonment for 2 years, 100 penalty units or both.

- (2) The fault element for paragraph (1)(b) is knowledge.
- (3) For the purposes of subsection (1), a course is not ***genuine*** if it is provided without serious regard to reasonable standards of education or training (including standards relating to attendance and participation by students) or if the course is a sham.

Association of Australian Education Representatives in India

<http://www.aaeri.org/>



An independent organization formed in 1996 at the initiative of the Australian High Commission to assure the integrity and credibility of agents who are recruiting students on behalf of Australian education and training institutions.

- Members abide by a ***code of ethical practices***, which must be displayed in their office.
- Members agree to serve prospective students honestly and fairly, provide them with accurate and unbiased information and to refer students to other agents if appropriate.
- Members agree to charge only a nominal fee to students, up to a maximum limit prescribed by AAERI (currently no more than approximately US\$220) .

“CODE OF ETHICAL PRACTICES IN AGENTS/REPRESENTATIVES OFFICES

WE, WILL

1. ABIDE BY THE ESOS ACT, 2000”

Choosing the Right Representative Model

There are three types of Recruiting Representatives:

- Those working on behalf of educational institutions on a commission/success basis
- Those whose business is driven by collecting fees from students and/or marketing fees from the university
- Dedicated representatives whose salary is paid by the institution and who recruits exclusively for that institution

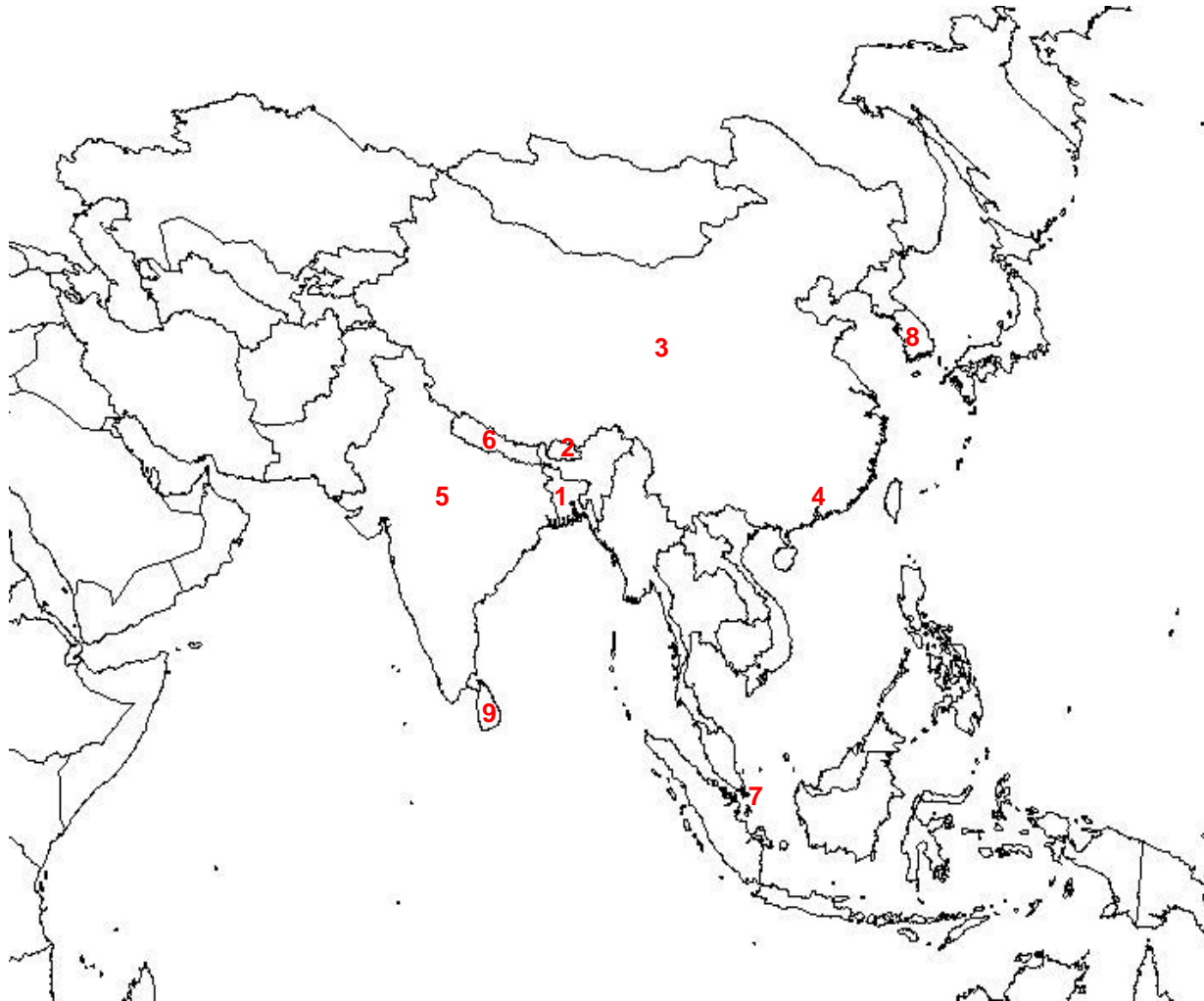
UC uses a dedicated representative in China (EduGlobal). We have hired a full-time representative who works out of EduGlobal's headquarters in Beijing. This representative trains staff in the other EduGlobal offices and functions as an extension of our admissions office.

EduGlobal in China



We use recruiting representatives on a commission/success basis in the following countries.

ASIA



1. Bangladesh
2. Bhutan
3. China
4. Hong Kong
5. India
6. Nepal
7. Singapore
8. South Korea
9. Sri Lanka

AFRICA



1. Nigeria
2. South Africa
3. Zimbabwe

EUROPE



1. Netherlands
2. Turkey

AUSTRALIA



1. Australia
2. New Zealand

Collective Marketing

- The global pie for higher education continues to grow.
- There is more than enough to go around.
- Collective marketing has been proven effective by the Aussies, Brits, Kiwis, and others.
- Benefits include accelerated results, reduced cost and economies of scale.

Changes UC has made in support of our International Recruitment Strategy

- New International Admissions Office housed in Undergrad Admissions Office.
- Implemented a three-tier Global Scholarship.
- Made changes to the English Proficiency entrance requirements.
- Using our Math Placement Test for admissions.
- Implementing a new Application Fee structure.
- Developed our first International Student Prospectus.

Contd. ...

- Developed Standard Representative Contracts based on the Australian model.
- Developed a comprehensive representative manual.
- Developed business practice for commission payments.
- Conduct annual on-campus training for representatives (coming soon).
- Engaged the entire university in the recruitment strategy.
- Signed a contract with ELS Language Center to provide Intensive English (Center will open Fall 2008).

The Cincinnati Principles

- 1. Partner with well-established commission- based agents who already work with the Australian universities.*
- 2. Refuse to work with agents who exclusively charge students.*
- 3. Always check the references of agencies under consideration.*
- 4. Demand that agents operate as though the ESOS Act applies to your US institution.*
- 5. Embrace best practices that are already in place and do not re-invent the wheel.*
- 6. Utilize the Australian agency agreement with as few modifications as possible.*
- 7. Work within the established operating framework with which agencies are familiar and comfortable – adapt your admissions and marketing practices to the new reality.*
- 8. Establish a dedicated international admissions office to coordinate agency relationships and support their efforts.*
- 9. Do not appoint more than three agents in any given country, and avoid appointing fewer than two.*
- 10. Collaborate with your local competitors – embrace co-opetition – the result will be economies of scale in an expanding market with accelerated benefits for all.*

Suggestions

- Keep a mix of recruitment methods.
- Have a contract relationship with representatives.
- Make regular visits to agents.
- Host agents for training on your campus.
- Try to build infrastructure changes before signing on representatives.
- Have reasonable expectations.