

WOL – Program Pricing Overview



WOL Pricing Strategy – Recommendation:

While WOL's pricing strategy should reflect the quality product it provides, it's current pricing is misaligned to the market, for both business related degree programs as well as Technology programs

Phase I:

- Launch HC Mgt degree at current DNN pricing (\$3915/term – total tuition only of **\$58,725**) – hold pricing through 2006.

Phase II:

- Complete assessment of ground-level pricing in order to evaluate financial sensitivity.
- At a minimum, match tuition pricing to current DNN pricing (\$3915/term – total tuition only of \$58,725) for all business programs (includes Business Admin, Criminal Justice, Fashion Merchandising and E-Business). Hold pricing through 2006 to enable 'catch up' of competitive pricing.

WOL Pricing Strategy – Current Situation:

- WOL's tuition pricing structure is significantly above key online competitive benchmarks (for-profit), with the sole exception of the Art Institute Online:
 - The price 'delta' varies by online provider: AIU (21%), CTU (30%), UOP (16%), Capella (19%), FMU (5%), DeVry (5%), Strayer (39%), Kaplan (28%), Walden (54%) – see attached summary.
- Prospective online students tend to shop at multiple schools before making a final decision (both internal and external research indicate a prospect shops 5-6 online schools, on average).
- According to recent internal surveys, tuition cost is a major driver/influence factor for departing WOL students, as well as prospective students.
- There is relatively consistent and strong feedback from WOL Admissions that "price" is a common objection raised by prospects, in specific reference to competitive schools.

Confidential. Disclosure for Westwood College and those with a need to know.

Confidential/Business Sensitive

WP000002798

WOL – Program Pricing Overview

Survey Data

Tuition cost is a major factor influencing both existing WOL students' departure, as well as the perception of prospective students in their evaluation of Westwood and other colleges:

WOL Attrition Survey

- “Cost Of Education” rated as single highest “Major Factor” in decision to leave school (48% of responses selected), while 22% noted it was a “Minor Factor” and 29% noted it was “Not a Factor”
- Next highest “Major Factors” for leaving included dissatisfaction with staff (38%) and overall dissatisfaction with Westwood (39%).
- Verbatim Comments:
 - “In my opinion...if you want more people to go to your school you should lower the price!!!! Plain and simple!!! You're too expensive!!!! Other schools offer the same courses that you do online and everything and are way cheaper than your school!”
 - “I found out that the tuition rate at Westwood was about \$20,000.00 higher than other colleges and/or universities. I'm sorry but I'm not going to pay \$60,000.00 for a bachelor's degree through Westwood, when I can pay about \$20,000.00 less at another school. What makes Westwood so special to where they feel they can charge so much more than other well-respected schools?”
 - “Well to make a long story short...I ended up signing 2 different enrollment agreements the 1st enrollment agreement said the cost of the entire education was \$55,000 the 2nd one said it was \$65,000 and then i got another one mailed to me that the cost was going to go up again in 2005 to \$75,000! There is no way in HELL I am goin to pay this much to go to a school anywhere! Maybe Grad School but not for undergrad!!!!”

Online Business Leads Survey

- Respondents were asked about the major factors influencing their selection of a school – of those that selected “Tuition Cost” 38% felt it was the first influence, 24% felt it was the second influence (out of a possible scoring of 1-6).
- Verbatim Comments:
 - “Tuition is extremely high at you institution and that is really the only factor that made my decision. I would be thrilled to start a graduate field of study if it was not \$24,000 a year online.”

Design Program Leads Survey (not online-specific)

- Tuition identified as primary influence to not attend Westwood College (of the 73% of total respondents selected this factor, 42% stated it was the single most important influence, 31% stated it was the second most important influence).
- When asked to rank factors influencing their decision to attend another school, Tuition was the most frequent selection (of the 67% of total respondents who selected this factor, 51% stated it was the most important influence).

Confidential. Disclosure for Westwood College and those with a need to know.

WOL – Program Pricing Overview



Competitor Pricing Overview (Online Only)

Program Pricing Review - Online Programs:

WOL	Program	Tuition/c redit	Credits	Total Tuition	Online Fees	App Fee	Total Tuition & Fees	Notes
	BS, Bus Admin	\$ 326	180	\$ 58,725	\$ 5,400	\$ 100	\$ 64,225	
	BS, Computer Network Mgt	\$ 306	192	\$ 58,725	\$ 5,740	\$ 100	\$ 64,565	\$180 Toolkit
	BS, Game Art & Design	\$ 304	193	\$ 58,725	\$ 5,790	\$ 100	\$ 64,615	\$425 Toolkit
	BS, Visual Communications	\$ 308	192	\$ 58,725	\$ 5,760	\$ 100	\$ 64,585	\$560 Toolkit
	BS, Criminal Justice	\$ 321	183	\$ 56,725	\$ 5,490	\$ 100	\$ 64,315	

School	Program	Tuition/ credit	Credits	Total Tuition	Online Fees	App Fee	Total Tuition & Fees	Notes
AIU (online) - 2+2 Option	BS, Business/HC Mgt/Info Technology	n/a	180	\$ 29,960	n/a	\$ 50	\$ 30,310	Includes all software & course Materials
AIU (online) - Associates	AS, Business/CJ/Info Systems	n/a	90	\$ 24,055	n/a	\$ 50	\$ 24,105	Includes all software & course Materials
Total (full degree)			180				\$ 54,415	
AIU (online) - 2+2 Option	BS, Criminal Justice	n/a	180	\$ 28,935	n/a	\$ 50	\$ 28,985	Includes all software & course Materials
AIU (online) - 2+2 Option	BFA, Visual Communications	n/a	180	\$ 31,960	n/a	\$ 50	\$ 32,010	Includes all software & course Materials
CTU (online)	BS, Management (all business)	\$ 297	180	\$ 53,430	n/a	\$ 50	\$ 53,480	Includes all software & course Materials
	BS, Criminal Justice	\$ 297	180	\$ 53,430	n/a	\$ 50	\$ 53,480	Includes all software & course Materials
	BS, Software Engineering	\$ 297	180	\$ 53,430	n/a	\$ 50	\$ 53,480	Includes all software & course Materials
Kaplan (online)	BS, Information Technology	\$ 280	180	\$ 50,400	\$ 900	n/a	\$ 51,300	\$75/term for online fee (12 terms), includes books
	BS, Management	\$ 280	180	\$ 50,400	\$ 900	n/a	\$ 51,300	\$75/term for online fee (12 terms), includes books
	BS, Criminal Justice	\$ 280	180	\$ 50,400	\$ 900	n/a	\$ 51,300	\$75/term for online fee (12 terms), includes books
Capella	BS, Business (all business)	\$ 290	186	\$ 53,940	n/a	\$ 75	\$ 54,015	\$250 Graduation fee
	BS, Network Technology	\$ 290	186	\$ 53,940	n/a	\$ 75	\$ 54,015	\$250 Graduation fee
	BS, Graphics & Multimedia	\$ 290	166	\$ 53,940	n/a	\$ 75	\$ 54,015	\$250 Graduation fee
DeVry (online)	BS, Business (all business)	\$ 295	186	\$ 54,800	n/a	\$ 50	\$ 54,850	Total Tuition - FT rate of \$6,850 (8 terms)
	BS, Computer Info Systems	\$ 295	186	\$ 54,800	n/a	\$ 50	\$ 54,850	\$500/hr 1-13 hours, \$62,000
UOP (online)	BS, Business (all business)	\$ 317	180	\$ 57,060	n/a	\$ 110	\$ 57,170	
	BS, Information Technology	\$ 317	180	\$ 57,060	n/a	\$ 110	\$ 57,170	
FMU (online) (COCO)	BS, Computer Info Systems	\$ 287	192	\$ 55,104	\$ 4,800	\$ 25	\$ 59,929	\$100/course online fee (48 courses), includes books
	BS, Criminal Justice	\$ 287	192	\$ 55,104	\$ 4,800	\$ 25	\$ 59,929	\$100/course online fee (48 courses), includes books
	BS, Business Admin	\$ 287	192	\$ 55,104	\$ 4,800	\$ 25	\$ 59,929	\$100/course online fee (48 courses), includes books
Walden (online)	BS, Business Admin	\$ 230	180	\$ 41,400	n/a	\$ 50	\$ 41,450	\$395 Graduation fee / ('04-05 pricing)
	BS, Information Systems	\$ 230	180	\$ 41,400	n/a	\$ 50	\$ 41,450	\$395 Graduation fee / ('04-05 pricing)
Strayer (online)	BS, Business (all business)	\$ 270	180	\$ 48,600	n/a	\$ 80	\$ 48,680	Lab fees included in tuition
South Univ (Online) (EDMC)	BS, Business (all business)	\$ 262	180	\$ 47,160	n/a	\$ 50	\$ 47,210	
	BS, HC Mgt	\$ 262	180	\$ 47,160	n/a	\$ 50	\$ 47,210	
	BS, Information Technology	\$ 262	180	\$ 47,160	n/a	\$ 50	\$ 47,210	
Art Institute Online	BS, Graphic Design/Interior Design/Game Art Design	\$ 392	180	\$ 70,560	\$ 6,000	\$ 150	\$ 76,710	\$100/course online lab fee (\$6K) \$100 enrollment fee

Notes:

1) AIU Online only offers an Associates and then a Bachelors via a "2+2" option ((2+2 enables students to have existing Associates degree recognized for full 90 credits)

Confidential. Disclosure for Westwood College and those with a need to know.

Confidential/Business Sensitive

WP00002800