

Institutional Accountability Plan and Report
2010/11 – 2012/13



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Letter from the Board Chair and President

June 24, 2010

Honourable Moira Stilwell
Minister of Advanced Education and Labour Market Development
Ministry of Advanced Education and Labour Market Development
PO Box 9883 STN PROV GOVT
Victoria, BC V8W 9T6

Dear Minister,

The Royal Roads University Institutional Accountability Plan and Report 2010/11-2012/13 was prepared in accordance with the Ministry of Advanced Education and Labour Market Development guidelines. All material fiscal assumptions and policy decisions as of June 1, 2010, have been considered. We are accountable for the context in which the plan has been prepared and the specific objectives that will be achieved.

Yours sincerely,



Peter Robinson
Chair, Board of Governors
Royal Roads University



Allan R. Cahoon, PhD
President and Vice-Chancellor
Royal Roads University

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Institutional Overview and Strategic Direction

Royal Roads University Profile

Royal Roads University is the only public university in Canada created to address the knowledge needs of the global economy and the B.C. labour market solely through applied and professional programs. As Canada's university for working professionals, we have designed an accessible learning model for people who are already in the workplace and wish to advance. We develop and deliver programs as required by students and their employers in a completely interdisciplinary way, without traditional disciplinary boundaries and with a problem-based approach to learning. Royal Road University's primary areas of academic focus — leadership, entrepreneurship, sustainability, and communication — cross all boundaries and live in all programs.

Vision

Royal Roads University is a dynamic public university that meets the educational and research needs of working professionals and their employers in a way no other university does. Our combination of interdisciplinary programs, flexible delivery and applied research provides students access to lifelong learning and enhances their ability to contribute positively to their workplaces and their communities.

Mission

To contribute to economic prosperity, social advancement, and environmental sustainability through transformative education for working professionals and research applied to real problems in all sectors of the workplace, at home and abroad.

The Royal Roads University mission directly reflects the *Royal Roads University Act* of June 21, 1995.¹

Organizational Values

Royal Roads University's key values centre on service, excellence, and sustainability. We bring education to students and the workplace that is current, relevant, and responsive to the needs of the working professional. We participate in the creation of knowledge that is relevant and beneficial to those we serve. The university takes a leading role in reflective community engagement, and practices stewardship of place. We are aligned for sustainable organizational success.

¹ *The Royal Roads University Act*, http://www.bclaws.ca/Recon/document/freeside/--%20R%20--/Royal%20Roads%20University%20Act%20%20RSBC%201996%20%20c.%20409/00_96409_01.xml retrieved February 9, 2010

Program Offerings

Royal Roads University offers high-quality post-secondary education based on the needs, schedules, and lifestyles of learners and the demands of the global marketplace. All programs at Royal Roads make extensive use of team-based learning to provide learners with insights into leadership and organizational dynamics and to create a challenging and supportive learning community that fosters personal and professional achievement.

Some of our programs are stand-alone: many, however, are characterized by degrees of articulation, in that they share course resources and “ladder” into other programs. The university’s team-based, blended delivery model produces graduates at a very high level of educational quality, in less time, with less disruption of careers and family lives, and at a substantially lower per-student cost than conventional universities’ delivery models.

UNDERGRADUATE CERTIFICATE AND DEGREES (7)
Certificate in Environmental Practice Distance-based, drawing on partnership between the Canadian Centre for Environmental Education and RRU
Bachelor of Arts Offered in International Hotel Management, Justice Studies, and Professional Communication
Bachelor of Commerce (domestic and offshore) Entrepreneurial Management
Bachelor of Science Offered in Environmental Management and Environmental Science

There are two primary markets for the university’s bachelor’s degrees: younger professionals who want to complete a first degree while remaining at work, and college/university students who want to complete an intensive on-campus first degree program in order to enter the workforce more quickly. The one undergraduate certificate offered (in environmental practice) is intended for four specific groups: those in the field who wish to update their knowledge, skills and academic qualifications; recent and potential immigrants to Canada who wish to ensure their existing environmental credentials and competencies can be measured and recognized; college graduates looking to ladder their credentials into a university degree; and university graduates looking to add a professional focus to their qualifications.

GRADUATE CERTIFICATES AND DIPLOMAS (12)
Graduate Certificates Offered in Destination Development, Environmental Education and Communication, Executive Coaching, Health Systems Leadership, International Hotel and Resort Management, Learning and Technology, Professional Communication Management, Project Management, Strategic Human Resources Management, and Tourism Leadership
Graduate Diploma Offered in Conflict Analysis and Management and Environmental Education and Communication

GRADUATE DEGREES (18)
Master of Arts
Offered in Conflict Analysis and Management, Conflict Analysis and Management (Thai-Canadian Specialization), Disaster and Emergency Management, Environment and Management, Environmental Education and Communication, Human Security and Peace building, Intercultural and International Communication, Interdisciplinary Studies, Leadership, Leadership (Specialization in Health), Learning and Technology, Professional Communication, Tourism Management
Master of Business Administration (domestic and offshore)
Offered in Executive Management, Executive Management (Specialization in Management Consulting) Human Resources Management
Master of Science
In Environment and Management
Doctor of Social Sciences (DSocSci)

Offered through the Faculty of Management and the Faculty of Social and Applied Sciences, master's programs are the "core of Royal Roads University's core business," representing the largest number of individual degree programs, the largest proportion of enrolments, and the largest amount of tuition revenue.

Launched in February 2010, the Doctor of Social Sciences (DSocSci) program is Canada's first applied research doctorate. The program speaks to recent Canadian research that shows two out of three new doctoral graduates will work in non-university settings. Candidates for the DSocSci must have a master's degree in one of the social sciences, and minimum of 10 years of work experience with senior decision-making authority. The program responds to the growing demand for scholar-practitioners who can provide intellectual leadership in the workplace and build sustainable organizations, communities, and societies in an age of global interdependence. Unlike traditional doctoral programs, the DSocSci focuses on the interdisciplinary applications of the social sciences to complex, real-world problems of direct concern to organizations, communities, and society in general.

The program of study builds candidates' knowledge of applied social research methodologies and their relevance to practical purposes. It is of particular interest to policy analysts, senior administrators, and executives from the public, private, or non-profit sector who work in areas such as natural resource management, health care, global security, professional communication, disaster relief, humanitarian aid, conflict management, values-based leadership, environmental sustainability, or learning and technology.

A Changing Landscape

The university's plans have been shaped by the overall priorities of the university as set out in its *Five-Year Strategic Direction* document², by current global and domestic conditions, and by other relevant external factors that affect the university's strategic objectives and operations.

Royal Roads University has aligned and coordinated its priorities with the goals and strategies set out for the B.C. post-secondary sector by the provincial government. The university supports the province in addressing one of the dominant long-term challenges to competitiveness: having the human capital necessary to meet current and future workforce needs.

Canada and British Columbia in the Global Setting

The global recession of 2008/09 affected Canada severely. However looking forward, key indicators reflect an improvement ahead. While the recovery is expected to be slow and fragile, markets in Canada and abroad are becoming less volatile. In this tentative environment where certainty is elusive, one thing is clear: the value of post-secondary education and lifelong learning opportunities has not diminished. Low interest rates and government funding stimulate action in a challenging economy. These strategies have both direct and indirect effects on the supply and demand for higher learning.

Within B.C. and further afield, the future supply of students -- both from the K-12 pipeline and those who consider themselves to be lifelong learners -- will be affected by global agendas as well as the demographics of an aging and shifting population. The competition for increased international enrolments is underway as post-secondary institutions mobilize in pursuit of opportunities to attract a larger number of international students.

The Provincial Landscape

After years of strong economic growth, B.C. is now facing a challenging economic environment. In addition and consistent with changes in the national and North American landscapes, over the last generation the economy of British Columbia has been transformed. A primarily resource-based economy is becoming knowledge-based. Productivity is linked to research and innovation; the economy benefits from well-trained and adaptable workers. Overlay the emergence of the "green economy" and the population at all levels is faced with the need to re-think and re-tool as individual and collective behaviours have an impact on sustainability and how global problems are addressed.

While the present global economic environment indicates a softening demand for labour in the short-term, predictions that labour shortages in B.C. may cause serious challenges in the province-wide economy hold true in the long-term. Demographic trends shape the B.C. labour force and influence planning and operations within the post-secondary sector. Aging as well as other factors

² RRU *Five-Year Strategic Direction* document, November 2009, <http://www.royalroads.ca/about-rru/the-university/presidents-page/>

including education and training opportunities, and shifts in the population (including the effects of migration, regional variations and other forms of diversification) continue to put pressure on the work force.

Anticipated workforce shortages are principally structural, arising from the combined effects of an aging workforce and several decades of low birthrates. The 18-29 year old population, the traditional post-secondary cohort, will decline after 2014 and predictions suggest that approximately 80% of all new jobs in the next 10 years will require some post-secondary education.³

The Peacock and Finlayson study, “Where will the workers come from? British Columbia labour force projections to 2030” (September 2009), describes how the size of the provincial labour market will be affected by demographic trends. By 2013 the province’s labour force will expand by just 23,000 people annually, declining to 17,000 by 2020. By comparison, over the past two decades, the B.C. labour force increased by an average of 42,000 people each year. In addition, by 2020 nearly one in 10 people in the workforce (9.5%) will be 60 years or older (compared to 7.5% today and 4.3% in 2000).⁴

Therefore, as the provincial job market becomes progressively tighter, productivity will decline, and growth of the provincial economy will be put at risk. Effective strategies aimed at increasing access and participation in higher education will alleviate these pressures and maintain productivity. As the workforce ages and globalization and technology continue to transform the post-recession economy, B.C. will require learning opportunities that are both lifelong and responsive to the needs of the marketplace.

Beyond the ebbs and flows of the business cycle, structural changes in the B.C. and global economies underscore the need for investing in higher learning.⁵

Royal Roads University in the Post-Secondary System

In a provincial post-secondary system comprised of 16 colleges and institutes and 11 universities, four of which are identified as research-intensive, Royal Roads University occupies a special niche in the B.C. post-secondary system. Notwithstanding its small size, the university’s value proposition -- in the eyes of shareholders and stakeholders -- solidifies RRU’s position in the system. RRU is nimble and responsive to labour market needs. The unique nature of the university’s mandate and its success over the past 15 years confirm that RRU is a positive and sustainable contributor in the provincial post-secondary environment.

³ B.C. Ministry of Advanced Education & Labour Market Development “2009/10 – 2011/12 Service Plan Update”, September 2009, page 9, http://www.bcbudget.gov.bc.ca/2009_Sept_Update/sp/pdf/ministry/almd.pdf retrieved February 16, 2010.

⁴ Peacock, Ken and Jock Finlayson. “Where will the workers come from? British Columbia labour force projections to 2020”, a paper prepared for the Business Council of British Columbia Outlook 2020 project, September 2009, page 13.

⁵ “Higher Learning and the Labour Market in a Changing World - Environmental Scan for British Columbia”, Ministry of Advanced Education, May 2008, page 3 <http://www.aved.gov.bc.ca/labourmarketinfo/reports/higherlearningenvironmentalscan08.pdf> retrieved February 9, 2010.

RRU has consistently met or exceeded FTE and financial health ratio targets. In addition, given its focus on graduate-level programs and its relative level of funding, RRU has generated outstanding returns to the system in terms of funding per FTE.

The creation of six new universities has increased the supply of undergraduate programs in the province. In response, established universities are focusing on graduate-level programs. This change in the marketplace requires that RRU continue to provide the highest quality of graduate-level offerings in an increasingly competitive environment.

In structure, programming, delivery, responsiveness, and impact, RRU is a university for the future. Through delivery of the highest quality of educational experience, students are offered the opportunity to experience and effect transformative change in themselves, their workplaces, and their communities. Evidence of the quality in Royal Roads programs is reflected in the August 2009 undergraduate *National Survey of Student Engagement*, and the *Maclean's University Rankings 2009*. Royal Roads is very proud of the results reported by these external assessments.

As well as providing high quality programs, RRU focuses on prudent fiscal management. In light of current economic conditions and in a sector where universities across Canada are feeling the impact of reduced funding and facing deficits, B.C. universities are relatively well positioned. B.C. is not immune, however, from the effects of economic and funding issues now confronting institutions in other provinces.

In contrast, RRU benefits from a relatively strong position. The university's focus on expanding its programs while managing its cost structure will maintain this position of strength while other institutions face financial challenges where the requirement to focus on deficit management plans takes precedence.

Planning and Operational Context

Within the framework of a changing landscape, Royal Roads University has developed a Five-Year Strategic Direction. This direction sets out six visionary goals that will guide RRU as it:

- provides high-quality, cost-effective education and applied research that contribute to economic prosperity, social advancement, and environmental sustainability by responding to the needs of working professionals and their employers
- distinguishes itself as the university of choice for working professionals in British Columbia and beyond
- creates a generative work culture
- is a university supported by and engaged with the public
- becomes a recognized leader for sustainable stewardship of RRU's historic lands
- becomes a financially sustainable, high-performance organization

Within this framework, the university developed the *3-Year Business Plan – 2010/11 – 2012/13*, setting out the goals, strategies and plans for the next three years. The following outlines how RRU will align and mobilize to achieve these goals, putting priorities into action.

Balance Core Growth with Strategic Expansion

Royal Roads University is a prestigious, special purpose university mandated to meet the needs of the British Columbia labour market as it embraces the opportunities and challenges of a globally competitive landscape. In the face of an increasingly intense competitive environment, Royal Roads aims to grow the size of the university, diversify and internationalize its business, and increase the market responsiveness of its programs. This will be achieved through three strategic areas of focus:

- Growth in domestic programs
- Offshore delivery of RRU programs through a diversified partnership strategy
- Customized training and education services for corporate clients

Students enrolled in domestic programs represent the core of Royal Roads' mandate, and this will continue to be the case. However, given the intense and increasing competition for the domestic student market, the long-term growth and stability of the institution requires the adoption of a broader strategy, whereby the continued focus on this core business is strengthened by an expansion of the university's secondary but critically important business segments.

The expansion of customized and offshore programs will be managed in the context of the continued focus on core programming at Royal Roads, and growth in these areas will be the product of sustainable, consistent, and strategic investments.

Royal Roads has the capacity to establish a distinct position within each of these areas. In combination, these business segments represent a diversified, strategic, and highly complementary portfolio of markets and programming for the university.

Rationale for Growth

The *Five-year Strategic Direction* document sets ambitious targets for growing the university, its enrolments, and revenue base. This direction, which includes increasing international students and doubling customized, contract training business, serves several purposes directly related to the mandate of the university.

- It recognizes the increasing size and complexity of the challenge of meeting the needs of the changing B.C. labour market – our province will need more highly skilled and educated professionals to ensure our economy continues to innovate, diversify, and grow, and Royal Roads must equally innovate, diversify and grow to meet this need successfully.
- It will contribute to British Columbia’s Asia-Pacific gateway strategy, and create a pool of people educated in and knowledgeable about our province, our economy and our way of doing business – either future trading partners or members of our workforce.
- It will increase the university’s linkages and strengthen our relationships with the international market place and with employers in B.C., Canada and abroad – all important partners in addressing the future needs of British Columbia’s labour market.
- It will create critical mass - providing the university with additional capacity in order to strengthen its sustainability, better support its market-sensitive model, and invest in continuous innovation.

Market Opportunities

The domestic market while the backbone of RRU’s customer base, has been challenging in recent years, for both enrolment of full degree and customized programs. Demographic and labour force trends indicate that this will remain the case for years to come. Graduate certificates, of shorter duration than full degrees and delivered online, have seen continued strong demand. For the next three years, Royal Roads will seek to increase enrolment in this market by being more competitive, primarily through positioning around quality, convenience and the prestige of being part of the Royal Roads University alumni.

The international market for education delivered offshore and in Canada is burgeoning. Recent estimates put the market value of this business over the next 10-15 years in the \$8 trillion range. Major opportunities are in China, India, the Middle East and South America.

Taking a strategic approach to growth opportunities in these potential markets, mid-January 2010 developments in China led us to fast-track the development process for new international offerings. The MA in Educational Leadership and Management launched in May 2010 in China, with an

initial cohort of 23 students and the prospect of a multi-year contract. The program's domestic launch will be in 2011. Similar developments will see the January 2011 launch of the master's degree in global management for both offshore and domestic markets.

Brand Positioning

Royal Roads University is building its brand as a prestigious, special purpose, high quality, market-driven learning and education institution that responds to the lifelong learning needs of the B.C. labour market. "Living our Learning" reflects the university's positioning:

- programs focus solely on the applied and professional fields, educating the knowledge workers of tomorrow
- core programs are in leadership and management, business, environmental sustainability and communications
- specialized programs include peace and conflict management, learning and technology and tourism and hospitality management
- students usually have substantial professional experience, and are looking to upgrade their competencies and credentials
- students often are still in the workplace and are looking for flexible, affordable delivery models that still offer value and high quality
- students will often learn through a cohort model which emphasizes team learning that creates networks that support students during their programs and well beyond graduation
- students seek a transformative experience, where they will build relationships and networks with peers in Canada and in the global economy
- faculty have real world experience and research real world issues
- the National Historic Site serves as a "living laboratory" for us to gather and foster collaborative learning and solutions for society

Domestic Programs

Program Growth

Enrolments for study in Canada, by both Canadian and international students, primarily at the Royal Roads University campus, will remain the core of its business, and the greater proportion of growth will come in this area.

RRU will pursue growth and profitability in domestic enrolments in four ways:

- By increasing the size and number of cohorts in existing programs, and winding down programs that do not have sufficient volume or margins
- By revising existing programs and launching new market-responsive programs where the university has identified a need and a high likelihood of success. Areas of immediate focus include: launch of the revised MBA program and redesign of the MA in Leadership program, an intensive face-to-face one-year master's degree in global management (MGM),

an MA in Educational Leadership and Management (China and domestic versions), a master's degree in environmental practice, and new graduate and post-master's certificates

- By increasing the number of international students in the domestic program mix
- By undertaking an in-depth competitive analysis and developing a pricing strategy that optimizes market share and profitability

Program Quality & Cost Effectiveness

In structure, programming, delivery, responsiveness, and impact, RRU is a university for the future. Through delivery of the highest quality of educational experience, students are offered the opportunity to experience and effect transformative change in themselves, their workplaces, and their communities.

Domestic academic programs are the core of Royal Roads University's mandate, operations, and revenue base. At present RRU offers approximately three dozen certificate, diploma, and degree programs. These are targeted at "working professionals" – mature students with several years of work experience whose professional obligations and schedules tend not to accommodate the face-to-face delivery model characteristic of traditional universities.

Some of RRU's programs are stand-alone: many, however, are characterized by degrees of articulation, in that they share course resources and "ladder" into other programs. The team-based, blended delivery model produces university graduates at a very high level of educational quality, in less time, with less disruption of careers and family lives, and at a substantially lower per-student cost than conventional universities' delivery models.

Program Quality

- *Faculty*

A large part of RRU's academic reputation rests on the fine work of core and associate faculty, and on the richness of experience, both academic and professional, that they bring to the university's students. Together with the intense group learning experience generated through RRU's distinctive model of team-based blended education, core and associate faculty expertise provides a solid foundation for quality and relevance of academic programs.

RRU is fortunate to have outstanding faculty members who, in addition to being highly regarded teachers and mentors, are known for success in national research funding competitions. They also carry out contract research with organizations, businesses, communities, First Nations, educational units, and others. These faculty members mentor learners, almost all of whom complete, as part of their degree requirements at the graduate level, an applied research project in the form of a major paper, thesis, or organizational consulting project (OCP). When students have completed an applied research project relevant to their workplace under the supervision of skilled faculty researchers, they have not only had their academic programs measurably enriched, but are more valuable to their employers. The research realm, ranging from peer-reviewed research to contract research, establishes and enhances the critical link between the research endeavour, the learning provided to students, and continuous pedagogical innovation for the university.

- *Curricular and Pedagogical Renewal*

To facilitate curricular renewal, the academic portfolio has been restructured to focus on the academic program renewal process, coupled with a renewed emphasis on academic quality assurance. RRU academic operations are now tightly connected with marketing and business development, ensuring close day-to-day coordination between market intelligence and educational offerings. This will ensure that programs are moved expeditiously through the academic approval process in order to launch new and renewed offerings in a nimble and flexible manner while enhancing the academic quality that has become a hallmark of the university's offerings and a major source of alumni loyalty.

- *Learning Technology*

Recognizing the central underpinning role of instructional technology in RRU's core business, the university ensures that students are provided with intellectually rich and up-to-date materials, and we deliver these effectively, dependably, and securely. Academic support departments and faculties collaborate in the evaluation and renewal of educational technologies. Evaluations focus on pedagogical effectiveness, cost effectiveness, robustness, and suitability to individual program markets.

Construction of the new Learning and Innovation Centre (LIC), scheduled for completion by April 2011, will provide a space to test and showcase the best in learning technology. Initiatives will include programs that encourage faculty to reflect on their own teaching facilitation methods with a view to continuous improvement and collaboration with colleagues engaged in similar projects. RRU will launch courses aimed specifically at improving the ability of their faculty to engage in innovative pedagogy. And, as new technologies emerge, their value will be assessed as they are offered to faculty to explore new ways of connecting with, and staying connected to, students. After careful examination of benefits and costs, cutting-edge technologies will be adopted to assist RRU in remaining a leader in this area.

- *External Reviews & Advisory Committees*

To achieve the strategic five-year goals of growth and cost effectiveness, RRU needs to examine current program offerings, and make changes to them. As the surrounding market shifts, RRU will consider renewing some programs, winding down others, and introducing new ones in response to demand. RRU will also look for opportunities for further integration and synergies across programs and degrees.

A central part of the academic quality assurance process is the university's commitment to continuous quality improvement, and the protocol for academic program reviews, as described above. Quality assurance for offshore programs is as important as that for domestic programs.

One of the central questions asked of external review teams engaged in the examination of academic programs is this: in light of the university's strategic emphases, current and projected market, and business model, should the program under review be continued, revised, or ended? External reviews, together with input from advisory committees, play an important role in ensuring that curricula remain relevant and current, and that they meet the needs of the labour market. Over

the next three years, the majority of the university's degree and certificate programs will undergo external reviews; over the next five years, all of them will. The results of these reviews will inform the university's planning.

RRU's applied and professional programs are rooted in academic excellence and best practices. To assist the university in ensuring they are current and closely aligned with the needs of the marketplace, advisory committees comprising senior academics, practitioners, and other individuals who are active, knowledgeable and influential in related fields have been appointed. These committees provide guidance on strategic, industry, and operational issues related to programs and academic quality. They are also called upon to assist with marketing RRU and its programs and building strategic alliances with government, business and industry, all in support of RRU's strategic objectives.

Cost Effectiveness

- *Funding Model*

The Royal Roads business model is unique. On a per-student basis, RRU receives far less from the provincial government than other B.C. universities. The university's three- and five-year planning processes presume no change in the funding model. No increase is anticipated, in real terms, to the amount of public funding received.

The strategy towards maintaining a viable funding model involves a combination of revenue growth through increased enrolments, coupled with careful cost management, while maintaining academic quality. The number of cohorts, cohort size and costs of program delivery are reviewed carefully while ensuring that RRU continues to invest in faculty and associate faculty as enrolments increase. At the same time, school and faculty overhead and academic support costs are held tight to achieve a healthy margin, with growth in staffing and other costs only targeted to those support areas that require additional resources to provide quality services to students as their numbers increase.

While the funding model presents us with some sharp challenges, it also encourages RRU to be lean, nimble, and entrepreneurial. The university needs to be cost-effective; it needs to respond quickly to emerging markets. In sum, as indicated in the *Five-year Strategic Direction* document, being aligned for sustainable institutional success means paying very close attention to all the indicators of success: enrolments, qualifications granted, and tuition/research revenue.

- *Delivery Model*

One of RRU's strengths -- the educational model blending on-campus residencies with periods of team-based online learning -- is also one of its challenges given that portions of potential markets have not yet come to appreciate the effectiveness of this model, and confuse it with others currently in the marketplace.

At RRU, blended learning describes the combination of online learning and short residency periods that make up the delivery model for many of the university's programs. Residencies offer direct interaction with other in-career professionals and faculty members, as well as the opportunity to develop a true learning community. Most programs are based on a cohort model, in which all students take the program over the same period. The initial residency also includes team-building exercises and orientation to the online learning environment to ensure that distance does not produce isolation. Unique interactive and collaborative tools have been developed to foster teamwork and communication with faculty even when students are not on campus. This cohort model provides students a strong support network and ready-made network of professional contacts. RRU's programs combine, like no other, active and collaborative learning through face-to-face residencies and team-based online learning.

Despite its attractiveness, elements of this blended model present challenges for some prospective students, especially with regard to relocating to Victoria for two-to-three week periods at several points during a degree program. A "rethink residency" initiative has led to broad awareness of financial and family-life challenges posed for some students by multiple on-campus residencies of three weeks' duration. An initiative is underway to reconceive this aspect of the model while preserving its value and reducing the obstacles it presents to some segments of its markets.

The university is considering a number of variations to its delivery model. For example, RRU will streamline its program delivery models to minimize administrative complexity, and the cost benefit of establishing satellite delivery capability and infrastructure in key Canadian markets are being investigated.

As previously noted, cutting-edge technology plays a central role in the delivery of RRU programs. In light of growing competition in the marketplace, to maintain the university's market advantage, RRU will continue its investment in new technologies after carefully assessing fit with the delivery model and pedagogic goals.

Research

Underpinning RRU's academic program quality and integral to program development and delivery, the Royal Roads' mandate includes a focus on applied research arising from two overarching themes: sustainable societies and communities, and learning and innovation. Within a knowledge-based economy, the university's research model is action-oriented and problem-solving, centering on the production of useful knowledge and tools.

In a competitive post-secondary marketplace, a portion of the Royal Roads reputation derives from research successes. Universities with excellent research profiles are widely regarded as more prestigious – and therefore more attractive to students and donors – than institutions with poor track records or little visibility in the research domain. Simply put, in the academic economy, degrees from prestigious schools have a higher value. This is particularly true at the graduate level, and in professional graduate programs such as the MBA.

It is also important that applied research remains an activity that satisfies key stakeholders – students, potential students, employers, policymakers, and the broader public. In these ways, RRU lives the underlying institutional value regarding the “creation of knowledge that is relevant and benefits those we serve.”⁶

To provide foci for the interdisciplinary and applied nature of research done at RRU, and to advance the sector strategies such as the areas of health and sustainability, the university currently has three applied research centres: the Centre for Health Leadership and Research, the Centre for Non-Timber Resources, and the Todd Thomas Institute for Values-Based Leadership.

Quality Outcomes and Reporting

As a public institution, Royal Roads needs to meet government targets and performance measures. The outcomes highlighted in this report provide clear evidence that in the 2009/10 fiscal year RRU continued to meet or exceed Ministry performance measures. Further evidence, such as that provided by the August 2009 undergraduate *National Survey of Student Engagement (NSSE)*,⁷ shows Royal Roads well ahead of comparable institutions in Canada and the U.S. with regard to the level of academic challenge posed by its programs, and commitment to active, experiential, and team-based learning. Perhaps less reliable, but important to RRU’s image in the Canadian post-secondary landscape, are the *Maclean’s University Rankings 2009* (issue of 16 November 2009),⁸ which mirror the NSSE findings. A recent survey of B.C. university graduates from master’s and doctoral programs⁹ shows that RRU graduates are highly satisfied with the level of education they have received. For example, 94% of RRU graduates would recommend us to other students and 97% of RRU students indicated that they were able to get the courses they need, when they need them.

These are results of which the university is very proud. More importantly, they are an important marketing tool. They provide a further means by which to enhance RRU’s reputation for high standards of teaching, mentorship, and applied research, thereby laying the foundation for strategic growth. Nothing is more fundamental to the sustainable success of Royal Roads University than the quality, reputation, and market relevance of its programs.

⁶ *R RU Five-Year Strategic Direction* document, November 2009, <http://www.royalroads.ca/about-rru/the-university/presidents-page/>

⁷ “Assessment for Improvement: Tracking Student Engagement Over Time”, National Survey of Student Engagement 2009. http://nsse.iub.edu/NSSE_2009_Results/ retrieved February 9, 2010

⁸ “Maclean’s University Rankings 2009”, 16 November 2009. <http://oncampus.macleans.ca/education/2009/11/05/our-19th-annual-rankings/> retrieved February 9, 2010

⁹ “Report of Findings of the BC University Survey of Graduates from Masters and Doctorate Programs in 2006”, The University Presidents’ Council of British Columbia in a survey conducted for The Ministry of Advanced Education and Labour Market Development http://www.rucbc.ca/student_outcomes/PostGradSurvey_final.pdf retrieved February 9, 2010

Offshore Programs

Since 1999, Royal Roads has developed significant offshore programs in Asia. Active MBA programs are offered in China, Hong Kong, Taiwan, and Bangladesh. The university currently boasts over 3,000 alumni from this business segment alone.

Building on its success to date, Royal Roads intends to expand and diversify its international strategy. In offshore markets, the university will strengthen its partnership model by establishing relationships with a select group of prestigious Chinese institutions, broadening program offerings that are compatible with the university's strategic objectives. In parallel, Royal Roads will also bring more international students to the university's Victoria campus. The university's program base is well aligned with the interests of students in a wide range of international markets, and in combination with its distinctive delivery model, this provides a strong basis for building the university's international portfolio.

The rationale for doing so is straightforward and compelling. Expanded international activity at RRU will contribute to federal and provincial goals for international relations and trade development, facilitating global perspectives, exchanges and networking for students and faculty. This in turn will contribute to RRU's revenue and enrolment targets to 2015, and enhance the university's reputation and profile.

The global education market has been valued in the trillions (US\$). The Organization for Economic Cooperation and Development (OECD) estimated that there were nearly three million students "enrolled in educational institutions outside their country of origin" in 2007¹⁰. More recently, a Department of Foreign Affairs and International Trade study estimated that international students contribute \$6.5 billion to the Canadian economy each year¹¹.

In addition to the movement of students between countries, the international marketplace is also characterized by increasing offshore program delivery. *University World News* recently reported that, "A rapidly growing number of universities across the world are establishing branch campuses in other countries. In fact, the number has almost doubled to 162 in the past three years alone and has jumped eight-fold since 2002. Although the US continues to dominate with its offshore campuses scattered around the globe, more countries have become involved as hosts and providers."¹²

In short, the international education marketplace represents an invaluable foundation for revenue diversification, internationalization, institutional collaboration, and international linkages at the individual, institutional, community, regional, and national levels.

¹⁰ "Highlights from Education at a Glance 2009", published by the Organization for Economic Cooperation and Development, 2009, page 26, <http://www.oecd.org/dataoecd/35/11/43619343.pdf> retrieved February 17, 2010

¹¹ Department of Foreign Affairs & International Trade, News Release No. 319, dated October 28, 2009 http://www.international.gc.ca/media_commerce/comm/news-communiqués/2009/319.aspx retrieved February 17, 2010

¹² "Huge expansion in overseas campuses", *University World News*, November 22, 2009 <http://www.universityworldnews.com/article.php?story=20091120103411843> retrieved February 17, 2010

Strategy: A Two-Pronged Approach

Royal Roads' international strategy will take a two-pronged approach. To begin, expansion will initially involve streamlining and stabilizing current international programming. This will be followed by a development process that focuses first on increasing the range of programming delivered offshore and subsequently on building the population of international students in programs based at the RRU campus where the university currently enrolls a small but diverse group of international students in domestic programs.

In the short-term, international business development will focus on a geographically diverse selection of target markets, including those in Asia, South and Central America, and the Middle East. New international markets will be selected on the strength of their potential for growth, partnership opportunities with accredited institutions, and alignment with foreign policy or international trade priorities of the Governments of British Columbia and Canada.

The recruitment of international students to Royal Roads programs in Canada has been given a relatively lower priority in recognition of the fact that there are a number of important program delivery and student support issues that first need to be addressed in order to successfully integrate international students into mainstream programs based in Canada and, more specifically, into the Royal Roads campus and community. These integration and support issues will be addressed in the initial two years of the current planning period so that the university will be in a position to accommodate increasing numbers of international students on campus from that point forward.

As noted, the forthcoming internationalization plan will address offshore programs as a priority, and diversification of domestic program offerings through increased international enrolments on campus in the longer term. Combined with market-driven strategies, new program initiatives will allow RRU to enhance and expand its international presence.

Current Offshore Business Model

As with the Canadian and provincial economies, Asia, and specifically "Greater China", did not escape the effects of the 2008 global recession. The recent and gradual stabilization is having a positive impact on China. Government policies have been put into place to stimulate the economy, and to promote education in particular.

RRU's affiliate model, first put into place in 1999, has evolved and matured. Through relationships with four key China-based affiliates, RRU currently offers an MBA to Chinese working professionals in Mandarin. This has established the foundation for future growth. The university has celebrated reaching the milestone of over 3,000 alumni who have completed the requirements of this program.

Careful management of affiliate relationships, encompassing both business elements and academic quality standards, is critical in this model. In 2008 RRU opened a Hong Kong-based rep office, where the university's Asia general management, including a director of academic quality, established the university's footprint offshore.

Going forward, RRU will re-shape its strategy, building on its experience and expanding program offerings in Asia. This expansion will support the overall growth of RRU's offshore programs, and will result in a more diversified portfolio of international activity that will rely less on a single market. Expansion markets will be selected on the strength of their potential for growth, and RRU's capacity to meet student and client requirements in the country or region.

RRU has already begun to establish new relationships in offshore markets and has formalized memoranda of agreement with reputable Chinese institutions including the Canadian Royal Bridge Education Group, Tianjin Agricultural University, Qingdao Agricultural University, Beijing City Chaoyang District Experimental Primary School, the Tourism College of Zhejiang, and the China Professional Talent School Administration Center.

Most recently, this has been followed up by RRU's prominent participation in Premier Campbell's education delegation that travelled to China in May 2010, where four agreements were signed with Chinese universities: Beijing Concord College of Sino-Canada, China Youth Centre for International Exchange, Tianjin University of Technology, and Jinhua College of Profession and Technology.

The selection and design of offshore program offerings will include new priorities such as the BCom completion program, a master's in environmental practice, graduate degree programs in global management, educational leadership and management, and tourism programs. Offshore partners will work with RRU to develop and deliver these new programs.

The university will continue to liaise with government bodies, both domestically and in offshore markets, to reinforce the university's brand in overseas markets, responding to the educational needs of working professionals, and build its profile with key stakeholders and agencies located around the globe. As the internationalization strategy is finalized, RRU will consider expansion into India and other markets of interest to B.C. and Canada, such as Eastern Europe, the Middle East, and South and Central America, exercising due diligence as it diversifies.

Customized Programs

The third business segment offers customized, professional training and education solutions to employers, both in Canada and internationally, and non-credit programs to the community.

In 2010, RRU created a single, business unit that is responsible for all business development, relationship management, contracts, and agreements for education and training solutions with corporate entities in North America. Solutions range from block sales of enrolment in certificate and degree programs, such as leadership and management graduate certificates, to customized training interventions.

The go-to-market sales inventory includes workshops, courses, and certificates in the following areas:

- Leadership
- Change
- Project management
- Coaching
- Communication and culture
- Environment and sustainability
- Public security, conflict and disaster management

RRU also offers client-driven, custom solutions. Customized education will ladder to domestic academic programs at RRU where feasible. Finally, the unit will seek opportunities to out-source selected corporate training functions aligned to the university's core competencies.

Clients will be international and domestic corporations, governments, large not-for-profit organizations, the military and public security sector, the health sector and the education sector.

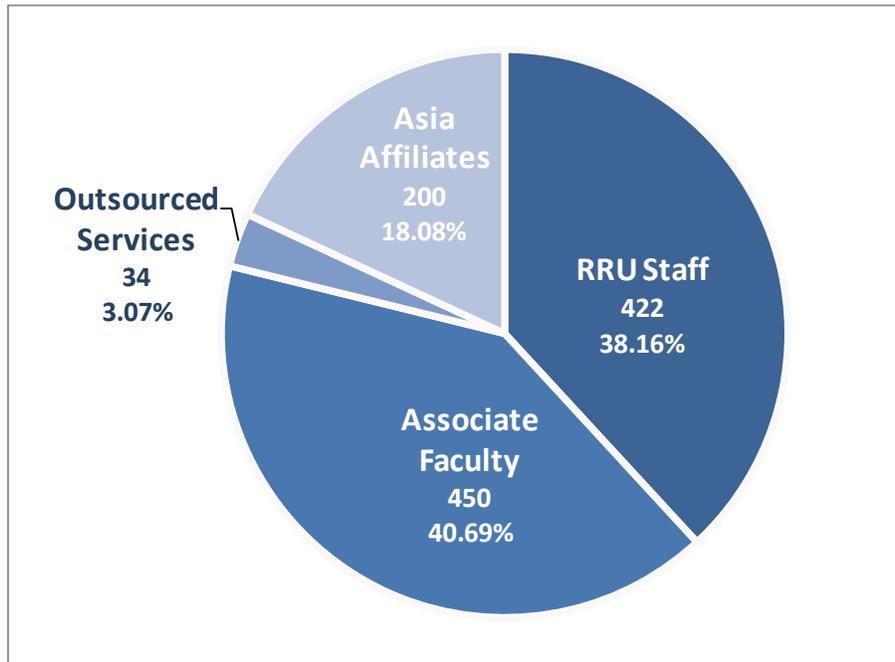
Building Capacity & Engagement

Striving to be the “university of choice” for working professionals in B.C. and beyond, RRU will optimize the returns related to all of its core academic activities within the framework of its unique business model. This will enable the university to maintain its healthy financial position and build the reserves required to build organizational capacity. Strategic investments in human resources, the development of the campus, technology, fundraising efforts and stakeholder engagement will all be critical as RRU becomes a financially sustainable, high-performance organization.

Strategic Human Resources

RRU's strategic directions document identifies two goals that are key to effective strategic human resource management. Firstly, the creation of a generative work culture is characterized by Royal Roads values such as relevance, sustainability and stewardship, and where performance and professional development are aligned with institutional needs. These factors are critical underpinnings to the second goal of becoming a financially sustainable, high-performance organization.

RRU's complement of human resources is a community of more than staff and faculty. In fact, employees, including core faculty, join forces with associate faculty, affiliates in Asia and their teams who operate the university's offshore programs and a small number of outsourced security and food services staff who provide frontline services to students and visitors on campus. Royal Roads University is a complex organization, not only is this complexity evident in the core business operations, it is also reflected in the human resources complement.



* Estimated headcount

Looking beyond the RRU community, as described in the environmental scan section of this plan, global, national and provincial economic conditions will continue to have an impact on the stability of the labour market the university can draw from. Critical skills will be in demand. Fiscal pressures will require an innovative approach to the strategic management of its workforce to achieve cost-effective outcomes.

Aligned in support of enrolment growth, RRU will undertake across-the-board workforce planning which will include a focus on an important element of the university's human resources complement: the core faculty who support the university as it responds to program demands. Effective strategies to attract and retain an increasingly diverse group of highly qualified core faculty members to lead teaching and applied research initiatives will be critical. In parallel, the university's roster of associate faculty members must remain current and engaged. A new strategy to manage and track this important component of RRU's overall faculty complement will call for a coordinated approach to ensure broad renewal of this critical pool of expertise, and continued engagement with the university's evolving pedagogy.

Strategic human resource objectives include:

- Increase employee alignment with institutional objectives, making a positive impact on organizational performance and increase RRU's competitive advantage
- Reallocate resources to areas of highest organizational need, managing change in accordance with values, principles and policy
- Retain and recruit key personnel, managing talent as well as new competencies and skills critical to organizational success
- Increase employee alignment, satisfaction and engagement

Consistent with the provincial labour negotiating mandate, collective bargaining will occur early in this planning period. Strategies to effect organizational change in positive and productive ways will be critical. Continued cost pressures are expected, including benefits that are anticipated to rise by some 5-6%. These are real issues for RRU that will have to be addressed through a strategic approach to human resources management.

In parallel, RRU will continue to concentrate on streamlining and improving human resource management systems and processes in alignment with strategic objectives. These would include total rewards and benefits, recruiting and retention, employee development, and communications.

Technology

High quality, leading-edge technology is instrumental in attracting and retaining prospective students, providing enhanced and flexible learning experiences, and equipping students with technological tools relevant to tomorrow's workplace. In fact, the strategic use of technology distinguishes RRU in a highly competitive marketplace.

In the world around us, technology is changing at a rapid pace. Mobile computing continues to gain traction as a real and viable option for service delivery, particularly as new models of iPhones and Blackberries pave the way for additional channels of communication with RRU students. In a recent survey of RRU MBA students, 40% of respondents reported that the delivery of learning services to them via a mobile device was important or very important. Cloud computing (delivering processing power and applications from remote computers) is becoming increasingly main stream and users are becoming used to accessing these services. The role of modern academic libraries is changing rapidly as more information resources are delivered online. Increasing globalization continues to affect the way we work, collaborate and communicate, with advances in technology providing opportunities to enhance delivery models and curriculum in response to evolving student expectations.

RRU is responding to the opportunities and challenges in this environment. A number of strategies and initiatives are being prioritized and implemented to enhance the student experience by ensuring that individuals stay connected. Strategic partnerships with industry leaders are being pursued. The creation of learning environments that promote active and collaborative learning, critical thinking, and knowledge creation are being explored as RRU facilitates the development of 21st century literacies (information, digital, and visual) among students and faculty.

Particular areas where technology infrastructure investments will be focused in the coming three years will include:

- Delivering an end-to-end customer relationship management (CRM) solution to optimize connection with students from prospect through to alumni. This, along with an automated registration system and implementation of self-service options for many services will improve services for students and support enrolment growth.
- The use of pedagogical and community building strategies, as well as technologies that better enable faculty and program areas to create meaningful communities. Tools which enable synchronous audio and video communication and collaboration, will be employed.

- Enabling students and faculty to access online learning materials via mobile devices.
- Continued development of professional learning opportunities and initiatives for faculty that increase awareness of innovations in pedagogy and educational research. This will provide them with the tools, techniques, and an innovative approach to teaching and learning with IT to enhance the student experience.
- Implementation of an Innovative Learning Commons within the new Learning Innovation Centre that will provide a technology enriched physical and virtual environment with support services responsive to the needs of all learners.
- Adding to work already underway, RRU will continue to identify and implement improvements to administrative systems to enhance student support services and increase efficiencies through the use of technology.

Within the context of a challenging and constantly changing technology environment, Royal Roads employs a strategic approach as it invests resources in mission critical infrastructure and applications. In addition to supporting the above initiatives, targeted funds are used to assess new technologies as they emerge and adopt those that assist the university in retaining its competitive advantage in this area.

Campus Development



The university campus is well positioned to support growth in programs and enrolment. The Learning and Innovation Centre (LIC), which will open early in 2011, will accommodate an additional 1,000 learners. The LIC was designed after extensive consultation with faculty and staff, and using input from students about space requirements on campus. Classrooms are designed to support the university's unique learning model, which uses state of the art technologies and a variety of seating layouts to facilitate the learning process. Breakout rooms are equipped with monitors and telecommunications to enable students to work on team projects in person or at a distance. A high-end computer lab will support advanced instruction and research in communications and technology. Student requests for more study space outside the classroom are being addressed through the inclusion of two large and several small informal learning spaces, with work tables, computer pods, and comfortable seating arrangements.

With the expansion of domestic academic programs, and the growth in the number of international students in these programs, the university will need to expand its residential housing capacity.

Accommodation solutions, both on campus and in the community, are being actively explored.

Closely tied to the university's academic directions and its commitment to environmental sustainability is the development of the Robert Bateman Centre. A world class gallery, the Robert Bateman Centre will house the works of renowned artist, educator and naturalist Robert Bateman, First Nations artists, other environmentally themed artists, and will serve as a vibrant forum for environmental education and research.



More importantly, the Robert Bateman Centre will be a catalyst for educational leadership and programming in environmental sustainability. It will provide a wealth of educational opportunities that will enhance the university's programs and courses through the inclusion of leading-edge information and research on sustainability; provide on-site learning opportunities to inform and inspire future environmental leaders; develop specialized certificate programs focused on the environment and which complement and ladder into the university's other programs; and offer programs for children and youth to understand issues related to sustainability.

The academic focus of this environmental programming stimulus will be housed in the Learning and Innovation Centre. Within the LIC, 8,000 square feet will be designated as 'Bateman' space to provide a physical locus of activity for executive programming, leading-edge research, and a "Centre for Dialogue" to bring together leading experts to address the issues of today and to plan possibilities for the future. This space will have enhanced communications technologies, to enable academic activities in the Bateman space to be connected electronically to activities elsewhere on campus, in the country or across the globe.

At Royal Roads, we strive to achieve high standards of environmental sustainability and to preserve the heritage character of the National Historic Site. This requires a careful balancing of the requirements of growth with the need to preserve the past and maintain the natural environment. Environmental and heritage assessments are conducted for all major development projects on campus, which must also be approved by the Department of National Defence, from whom the university leases the campus.

The university also recognizes its historical roots as the traditional territory of the region's First Nations people. In 2008, the university received a commitment of \$600,000 from the Ministry of Advanced Education & Labour Market Development (MALMD) for renovation of an existing building on campus to establish an Aboriginal Gathering Place. The purpose of the gathering place is to provide academic and social support for Aboriginal students, promote a foundational sense of

belonging amongst Aboriginal students, and support Aboriginal student retention. It provides an opportunity to develop collaboratively an Aboriginal presence in our programming, as well as to develop new programs aimed at closing the gap to post-secondary education. The gathering place will provide an opportunity for extending university engagement with the larger Aboriginal community providing a venue to develop traditional and non-traditional skills and knowledge. Furthermore, the gathering place will provide an opportunity for RRU staff and non-Aboriginal students to participate in traditional ceremony, celebration and learning.

The university is committed to developing a comprehensive strategy to reduce greenhouse gas emissions from 2007 levels by 33% by 2020. In 2007/08, greenhouse gas emissions for the university were measured at 1,558 tonnes per year (for heating, electricity, and campus vehicles). Emissions are primarily due to use of natural gas for heating buildings (88%). An energy study conducted in 2009 identified \$1.0 million of maintenance projects that would enable the university to reduce greenhouse gas emissions by 336 tonnes per year, a reduction of 22% from 2007 levels. Over the next three years the university will pursue funding to enable completion of projects with the highest reduction of greenhouse gas emissions, taking into account economy and payback on investment.

Fundraising

As positive indicators about a strengthening economy emerge, Royal Roads has validated its commitment to pursue a fundraising campaign to support the university's strategic objectives. As indicated above, the university's objective to be a leader in environmental sustainability is closely linked with academic program objectives and with the Bateman initiative. The Bateman initiative, a catalyst for the development and success of environmental education, research and sustainable stewardship at Royal Roads, will be a key priority for the campaign. Fundraising initiatives will also support academic innovation and heritage projects.

Stakeholder Engagement

A key factor that will underpin the successful achievement of the objectives set out in this 3-year planning period is effective stakeholder engagement. The university's strategic objectives, combined with the environment in which it operates, offer both exciting opportunities and challenges. Capitalizing on the opportunities and mitigating challenges -- even converting them to opportunities -- requires a stakeholder engagement strategy that leads to a clear understanding of RRU's shareholders and stakeholders (internal and external, domestic and offshore), and ensures that relationships with influential people and organizations are established or strengthened.

Key accountability entities for the university include the government of British Columbia, specifically the MALMD, RRU's primary shareholder. The Department of National Defence, at the federal level, is also a key accountability entity for the university, given its unique relationship with RRU as landowner of the Hatley Park campus. The university manages its relationship with both the provincial and federal governments with due regard for its accountabilities and reporting requirements.

The following table offers a high-level summary of RRU's key stakeholders.

KEY STAKEHOLDERS
Internal RRU human resources complement: staff, faculty, associate faculty, Asia affiliates, service providers
External Students, alumni, corporate clients and partner organizations Friends and “Fellows” of RRU All levels of government, specifically the Department of National Defence, the B.C. Ministry of Advanced Education and Labour Market Development, the municipality of Colwood First Nations Donors Members of the local communities and the public at large

The university will continue to manage its relationships with these stakeholders both to maximize their contribution to the success of the institution, and to ensure that their expectations are met.

Goals, Objectives, Performance Measures, Targets and Results

Performance is measured and outcomes are reported in the context of the Ministry of Advanced Education & Labour Market Development results-based accountability framework for the provincial post-secondary system. Within this context, the framework serves to benefit students by ensuring they receive quality education and educational opportunities relevant to their needs and the needs of the labour market, as well as all B.C. residents by ensuring the public post-secondary system's ongoing contribution to social and economic development. A series of performance measures are tied to five key strategic objectives – capacity, access, quality, relevance, and efficiency.

Institutional Goals

During 2009, RRU tightened its focus and established a clear strategic direction for the next five years. Building upon its reputation as a prestigious university – the university of choice for working professionals – RRU work within the framework of six strategic goals. For the purposes of aligning the university's goals with the MALMD accountability framework, RRU goals are grouped as follows:

Leadership

Strengthen and diversify its revenue base through strategic growth, both domestically and internationally.

Quality

Provide high quality, cost effective education and applied research programs that respond to the needs of working professionals and their employers.

Community

Build a generative work culture.
Be a university supported by and engaged with the public.

Stewardship

Be a financially sustainable, high-performance organization.
Be a recognized leader for sustainable stewardship of RRU's historic lands.

RRU maps its strategic goals to provincial objectives and measures, as illustrated in the following table.

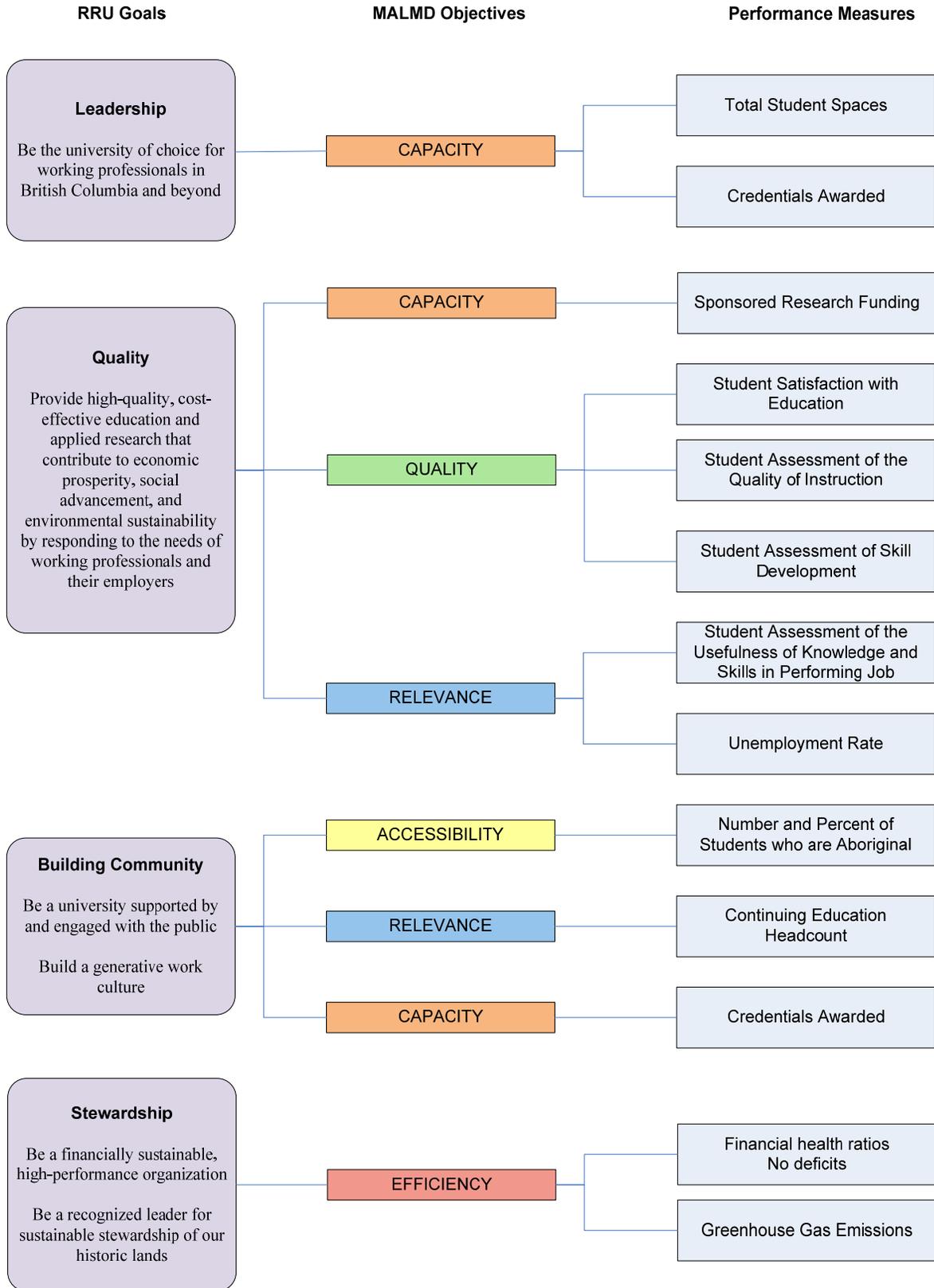


Figure 1

Performance Measures, Targets and Results

As RRU provides high quality and cost effective education and applied research programs – striving to be the university of choice for working professionals – the university’s capacity to meet or exceed performance targets is reflected in the following tables. The data summarizes represents the results from the previous year as well as the upcoming year’s targets for each of the performance measures identified in Figure 1 above.

Capacity: Is the post-secondary system of sufficient size to meet the needs of the province?

Ministry Objective	CAPACITY		
Performance Measure	Total Student Spaces		
2008/09 Actual	2096		
2009/10 Target	1980		
2009/10 Actual	2013		
Performance Assessment	Target Achieved		
	MALMD	RRU	% of Ministry Target
2010/11 Target	1980	2183	-
2011/12 Target	1980	2426	-
2012/13 Target	1980	2572	-

Ministry Objective	CAPACITY	
Performance Measure	Credentials Awarded	
2008/09 Actual	1743	
2009/10 Target	Under review	
2009/10 Actual	1737	
Performance Assessment	Not Assessed	
2010/11 Target	TBD	
2011/12 Target	TBD	
2012/13 Target	TBD	

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Ministry Objective	CAPACITY	
Performance Measure	Sponsored Research Funding (\$000)	
	Federal sources	----- \$1,215
	Provincial Sources	----- \$512
	Other sources	----- \$803
	<i>(Data from CAUBO one fiscal year earlier)</i>	
2008/09 Actual	\$1,583	
2009/10 RRU Target	≥ previous year	
2009/10 Actual	\$2,530	
Performance Assessment	Target Exceeded	
	MALMD	
2010/11 RRU Target	≥ previous year	
2011/12 RRU Target	≥ previous year	
2012/13 RRU Target	≥ previous year	

Accessibility: Do all citizens have equitable and affordable access to public post-secondary education?

Ministry Objective	ACCESSIBILITY	
Performance Measure	Number of Students Who Are Aboriginal	Percent of Students Who Are Aboriginal
2008/09 Actual	87	2.8%
2009/10 Target	Maintain or increase	Maintain or increase
2009/10 Actual	113	3.7%
Performance Assessment	Target Exceeded	Target Exceeded
2010/11 Target	≥ 113	≥ 3.7%
2011/12 Target	≥ previous year	≥ previous year
2012/13 Target	≥ previous year	≥ previous year

Quality: Is the public post-secondary system of sufficient quality to meet the needs of students, employers, and citizens?

Ministry Objective	QUALITY
Written Communication	86.4% ± 3.0%
Oral Communication	88.1% ± 2.8%
Reading and Comprehension	87.6% ± 3.0%
Group Collaboration	93.3% ± 2.1%
Critical Analysis	90.3% ± 2.5%
Problem Resolution	85.3% ± 3.0%
Learn on Your Own	84.0% ± 3.3%
Performance Measure	Student assessment of skill development
2008/09 Actual	89.2% ± 3.0%
2009/10 Target	≥ 85%
2009/10 Actual	87.8% ± 2.8%
Performance Assessment	Target Achieved
2010/11 Target	≥ 85%
2011/12 Target	
2012/13 Target	

Ministry Objective	QUALITY
Performance Measure	Student Satisfaction with Education
2008/09 Actual	94.8% ± 2.1%
2009/10 Target	≥ 90 %
2009/10 Actual	97.0% ± 1.4%
Performance Assessment	Target Achieved
2010/11 Target	≥ 90 %
2011/12 Target	
2012/13 Target	

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Ministry Objective	QUALITY
Performance Measure	Student Assessment of the Quality of Instruction
2008/09 Actual	95.8% ± 1.9%
2009/10 Target	≥ 90 %
2009/10 Actual	95.5% ± 1.7%
Performance Assessment	Target Achieved
2010/11 Target	≥ 90 %
2011/12 Target	
2012/13 Target	

Relevance: Is the public post-secondary system relevant and responsive to the needs of the province by providing the appropriate scope and breadth of post-secondary education?

Ministry Objective	RELEVANCE
Performance Measure	Student Assessment of Usefulness of Knowledge and Skills in Performing Job
2008/09 Actual	90.9% ± 3.0%
2009/10 Target	≥ 90 %
2009/10 Actual	93.6% ± 2.5%
Performance Assessment	Target Achieved
2010/11 Target	≥ 90 %
2011/12 Target	
2012/13 Target	

Ministry Objective	RELEVANCE
Performance Measure	Unemployment Rate
2008/09 Actual	2.8% ± 1.6%
2009/10 Target	≤ 13.4 %
2009/10 Actual	8.4% ± 2.4%
Performance Assessment	Target Exceeded
2010/11 Target	Maintain unemployment rate of former RRU students below rate for persons with high school credentials or less
2011/12 Target	
2012/13 Target	

The majority of Royal Roads University students are working at the graduate-level therefore, in addition to tracking undergraduate student satisfaction trends, the university monitors graduate student satisfaction as well.

*The B.C. University Survey of Graduates from Masters and Doctorate Programs: Report of Findings 2006 (The Class of 2000 Five Years After Graduation)*¹³ measures graduate outcomes and provides feedback on the links between graduate education and the labour market. The following results have been reported for Royal Roads University:

Satisfaction with education received	94.8%
Would respondents select the same program again?	79.9%
Usefulness of knowledge, abilities and skills acquired	72.9% very useful 97.2% very/somewhat useful

¹³ http://www.rucbc.ca/student_outcomes/PostGradSurvey_final.pdf accessed June 1, 2009

Ministry Objective	RELEVANCE	
Performance Measure	Continuing Education Headcount ¹⁴	Continuing Education Paid Enrolments
2008/09 Actual	3,738	3,069
2009/10 RRU Target	2,181	1,897
2009/10 Actual	3293	2891
Performance Assessment	Target Exceeded	Target Exceeded
2010/11 RRU Target	TBD	TBD
2011/12 RRU Target	TBD	TBD
2012/13 RRU Target	TBD	TBD

Efficiency: Are we meeting greenhouse gas emission reduction targets?

Ministry Objective	EFFICIENCY
Performance Measure	Greenhouse Gas Emissions ¹⁵
2008 Actual	1636.4 metric tonnes
2009 Target	≤ previous year ¹⁶
2009 Actual	1521.9 metric tonnes
Performance Assessment	Target Achieved
2010 Target	Maintain or reduce emissions
2011 Target	
2012 Target	

¹⁴ Continuing Education Headcount includes free access to the public events.

¹⁵ Data extracted from SmartTool dataset. 2008 restated for proper comparability.

¹⁶ Commencing with 2008, emissions are reported annually using the calendar year to conform with government reporting practices.

Financial Performance & Targets

RRU considers financial performance and reporting an integral element to the overall management of the university. The following summarizes the university's financial performance for the last two years, financial health ratios, and the outlook to 2012/13.

Financial Report 2009/10

The 2009/10 fiscal year focused on repositioning the university for the future, while responding to the impacts of the economic downturn and changes to the post-secondary landscape from the B.C., Canadian and global perspectives.

In a challenging environment where many universities across Canada have wrestled with burgeoning fiscal deficits, Royal Roads University succeeded in managing its affairs prudently while engaging in the necessary planning to respond to emerging opportunities in a dynamic and highly competitive post-secondary environment.

Income Statement (000s)	2009/10 Actual	2008/09 Actual
Revenues		
<i>Tuition fees</i>	\$ 23,890	\$ 24,855
<i>Provincial grants</i>	17,412	16,354
<i>Other revenues</i>	7,576	8,461
<i>Amortization of deferred capital</i>	831	903
	49,709	50,572
Expenses		
<i>Salaries & benefits</i>	27,467	25,715
<i>Professional services agreements</i>	7,818	9,637
<i>Other expenses</i>	13,057	13,552
	49,648	50,524
Net Income	\$ 61	\$ 48
Net Assets	\$ 22,241	\$ 22,476

Overall student enrolment¹⁷ decreased slightly in 2009/10 to 2,013 FTEs from a prior year total of 2,096 FTEs. Provincial grants increased due to funding for annual wage/salary increases and a

¹⁷ Includes domestic and international

small increase for funded student FTEs. Other revenues include student fees other than tuition, research grants, tourism revenues and revenues from parking, student residences, and miscellaneous items.

Salaries and benefits increases reflect cost of living adjustments funded by the provincial government and rate increases for pension plans and extended health benefits.

Professional services agreements comprise a significant portion of university expenses, due to the contracting of faculty with academic credentials who are practicing professionals in their fields, an important aspect of the Royal Roads learning model.

The university achieved a break-even position at the end of 2009/10 with annual net income of \$61 thousand (\$48 thousand in 2008/09). Careful cost management during the year enabled the university to invest in the development of new programs to meet emerging market demands, fund the capital campaign to raise funds for the Bateman Centre and academic initiatives, and provide better services to students.

Our audited financial statements are available on our website at:

<http://www.royalroads.ca/about-rru/governance/financial-statements-enrolment-reports.htm>

Financial Health of Royal Roads University

In 2004/05, MALMD created a tool to monitor the financial health of public post-secondary educational institutions on an ongoing basis. This tool is based on a study produced by KPMG for the U.S. Department of Education, adapted to the attributes of the public post-secondary system in British Columbia. It provides a summarized picture of key conditions affecting the financial health of an institution.

The tool includes three ratios plus a composite score. The three ratios are:

- Primary Reserve Ratio, which provides a measure of a post-secondary institution's liquidity and margin against adversity
- Equity Ratio, which measures an institution's capital resources and ability to borrow
- Net Income Ratio, which measures an institution's ability to operate within its means

The composite score is determined by converting each of the above ratios into a strength index and then taking the weighted average of the three. The composite score rating scale is as follows:

Composite Score Range	Rating
2.5 to 3.0	Excellent
1.5 to 2.4	Good

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1.0 to 1.4	Fair
-1.0 to 0.9	Poor

The financial ratios and composite index for Royal Roads University for the last seven years are shown in the following table:

Year	Primary Reserve Ratio	Equity Ratio	Net Income Ratio	Composite Score	Rating
2003/04	0.233	0.353	0.035	2.34	Good
2004/05	0.272	0.386	0.064	2.63	Excellent
2005/06	0.270	0.375	0.047	2.59	Excellent
2006/07	0.293	0.455	0.038	2.81	Excellent
2007/08	0.286	0.439	0.027	2.69	Excellent
2008/09	0.251	0.429	0.001	2.47	Good
2009/10	0.311	0.383	0.001	2.47	Good

Royal Roads University has built and consistently maintained a strong financial position representing a continued focus on fiscal responsibility. However, its overall rating has shifted in recent years from “Excellent” to “Good”, primarily as a result of reduced net income. While earnings from operations were maintained at optimum levels, RRU maximized its capacity to re-invest in new programs and other initiatives while ensuring it maintained a positive net earnings position. Through planned growth coupled with careful cost management, the university expects to build the university’s financial position back up to a rating of “Excellent” by 2012/13.

Financial Outlook 2010/11 – 2012/13

During the fall of 2009, the university consulted with numerous external and internal stakeholders to help determine its strategic directions for the next five years, culminating in the board approved *Five-Year Strategic Direction* document. Within the framework of these strategic directions, the university prepared the *3-Year Business Plan 2010/11 – 2012/13*, setting out the goals, strategies and plans for the next three years.

Royal Roads University Summary Financial Outlook 2009/10 to 2012/13				
Amounts in \$000s	2009/10 Actuals	2010/11	2011/12	2012/13
Revenues				
Tuition fees	23,890	25,536	29,701	32,141
Provincial grants	17,412	17,185	17,185	17,185
Other revenues	7,576	7,898	8,489	8,737
Amortization of deferred capital	831	749	1,278	1,200
	49,709	51,368	56,653	59,263
Expenses				
Salaries & benefits	27,368	28,165	29,552	30,637
Professional services agreements	7,635	7,906	8,386	8,784
Other expenses	12,603	12,705	14,063	14,165
	47,606	48,776	52,001	53,586
Net income before new investments	2,103	2,592	4,652	5,677
New investments	2,042	2,102	2,120	2,133
NET INCOME	61	490	2,532	3,544

This plan projects an increase in net income from a break-even position in 2009/10 to \$3.5 million in 2012/13.

Revenues are expected to increase by 19% from \$49.7 million to \$59.3 million by 2012/13. The \$9.6 million increase will be achieved through enrolment growth in existing programs, the introduction of the revised MBA program and Doctor in Social Science, along with the development of new master's programs in global management, environmental practice, and educational leadership and management. New graduate certificates and diplomas based on recent

market research will also contribute to increased tuition, along with anticipated growth in contract training and international operations.

General operating costs are forecast to grow from \$47.6 million in 2009/10 to \$53.6 million by 2012/13, an increase of \$6 million or 13%. Compensation increases are driven by increased benefit costs, as well as staff growth in areas required to support new programs and increased enrolments. Growth in contracted services is primarily related to program expansion, where associate faculty are significant contributors in program delivery. Other expenses are projected to increase with further investments in marketing and sales, program growth, and minor inflation.

As a result, net income before investments is expected to increase from \$2.1 million in 2009/10 to \$5.7 million in 2012/13. Investments have been identified for three new master's programs, five new graduate certificate and diploma programs, and introduction of a new tourism stream in the existing BCom program, to be developed and implemented on a phased-in basis over the next three years. In addition to providing sufficient funds for investments in new programs, funding will also be available to support the capital campaign and ongoing investments in technology.