

Be Buyer Aware

Higher Education

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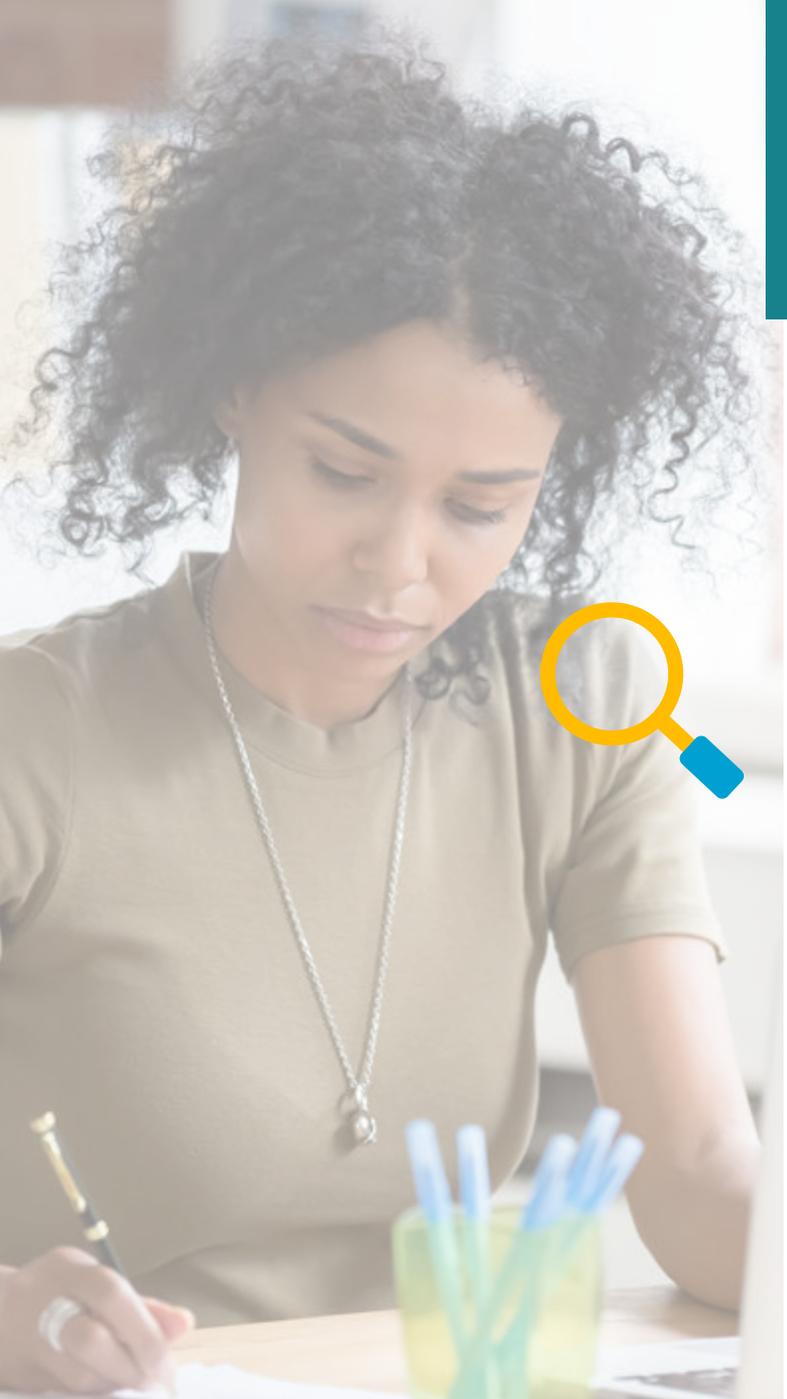
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PART 1

Introduction

As a vendor who sells products to higher education institutions, it's important to stay informed about your client. Much like K-12 education, higher education buying works within a purchasing cycle. This is a common cycle, but the details are particular to this market. It's important to familiarize yourself with the higher education buyer in order to approach this purchasing process.

We'll go over some of the most important things to note about selling to university and college administrators and those that impact the tool-buying process for educational institutions. **Let's dive right in.**





PART 2

Higher Education in America

About 20,031,000 people in America attend higher education, making universities and colleges a huge contributor to the nation's economy.

In addition, many people choose to devote several years of their life to higher education. In 2020, college enrollment included about 15.85 million undergraduate students nationwide, according to the Education Data Initiative.

WHERE EDUCATION ECONOMICS ARE HEADED

Because education attracts a considerable number of people, the facilities and staff at these institutions must tailor class programs to specific needs that are often set at a higher standard than K-12 education. Gallup research reports that "44% of non-enrolled adults without a degree report they have considered enrolling in a bachelor's degree, associate degree, industry certification or certificate program in the past two years." This could be an indicator of continued market growth.



PART 3

The Variety of Schools

Note that schools have different budgets, enrollment rates, and other attributes important to understanding their market potential. We'll break down how variable the different types of higher institutions in the nation based on data from [research.com](https://www.research.com):

- Four-year colleges: **2,832**
- Two-year colleges: **1,582**
- Community colleges: **1,050**
- Total institutions: **4,360**

Each of these schools has different needs, serves different populations, and requires a variety of products and services — all dependent on the university or college. Sellers need to educate themselves on who the decision-makers are as well as what solutions and tools they are looking for. The communication and sales strategy should shift depending on the institution.





PART 4

How Higher Education Needs Have Changed

In most cases, higher education requires different resources than K-12 education.

These institutions often have increased technological needs based on the program focus. And, more people are pursuing a degree remotely, which introduces certain additional challenges. NCES reports, “The number of undergraduate students exclusively enrolled in distance education courses was **186% higher in 2020** than in 2019 (7.0 million vs. 2.4 million).”

Sellers need to be aware of the specific requirements that may be different from other programs. Move into the process knowing what the degree and the program need as far as tools go, and then you can prove that you have the right solution.





PART 5

The Path to Purchasing

The [National Center for Education Statistics](#) (NCES) finds that the total revenues at degree-granting postsecondary institutions were \$695 billion. To break it down further:

- Public institutions: **\$438 billion**
- Private nonprofit institutions: **\$242 billion**
- For-profit institutions: **\$14 billion**

To get access to any of this as a seller, you need to know who the decision-makers in the process are and how to reach them.

This can be a complex answer in the world of higher education. You can get your foot in the door if you narrow down who the important decision-makers are.



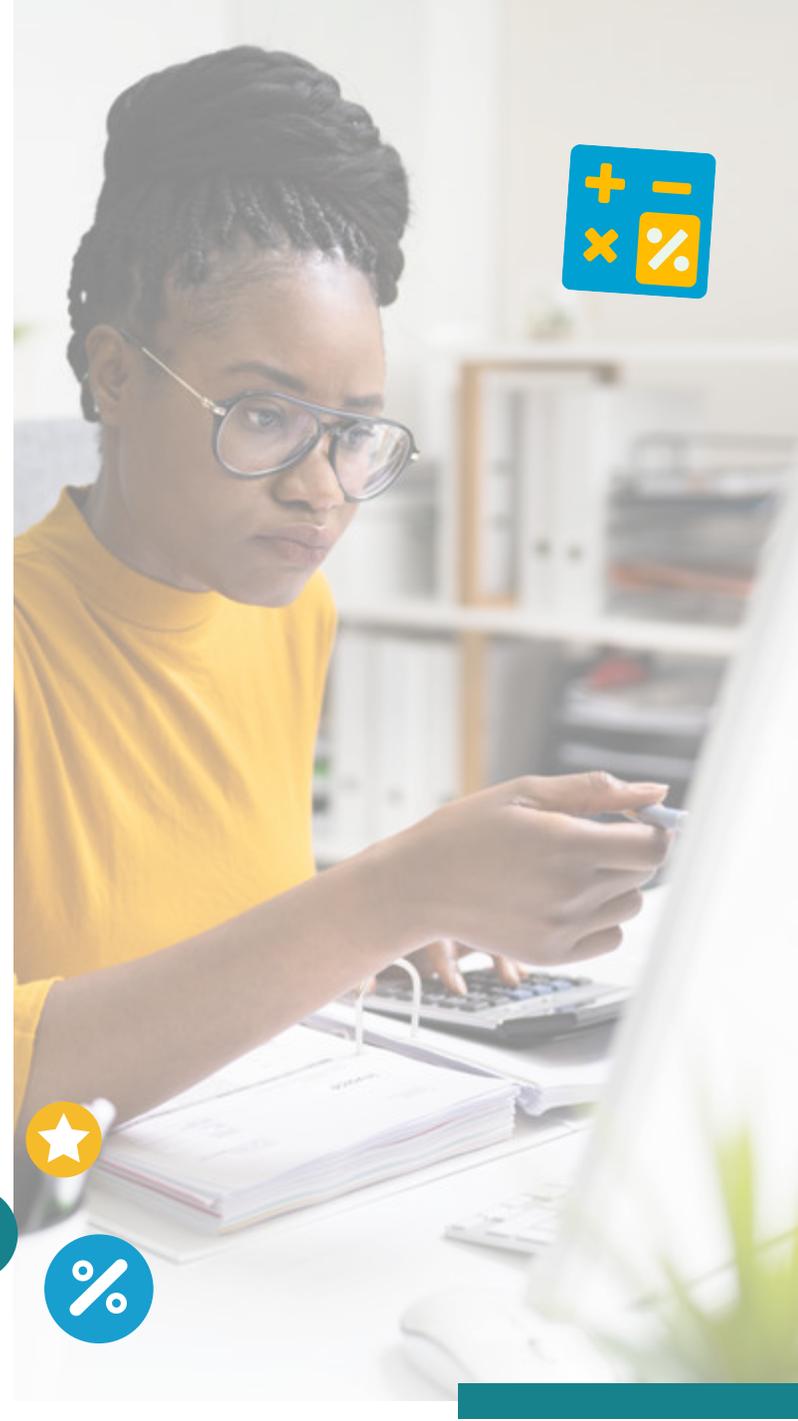
PART 6

Barriers to Overcome

There are specific spending barriers that sellers need to know before approaching the selling process. One of the most important parts of making a reliable connection is to work on creating a network of people. This can be difficult in the beginning but it is vital in the long run.

There is a wide variety of requirements and budgets depending on the institution. This can be an issue if you don't prepare and arm yourself with valuable knowledge.

Understanding budgets and requirements is important because salespeople need to have a good grasp of the outcomes they could potentially provide.





PART 7

Who You'll Meet Along the Way

During the buying process, there will be different stakeholders to note and carefully navigate around. Here are some examples:

- **Governing boards:** Most places of higher education are overseen by boards that help make choices based on their area of focus. It's common for trustees to sit on these boards.
- **The President:** The main figurehead of most institutions is the president and they are one of the key decision-makers. Their level of involvement changes from school to school.
- **Faculty:** While faculty don't normally control the budgets, they do often request new tools and items for the department. These influencer faculty members include deans and department heads.
- **Administration:** The academic and institutional administration will often know what solutions are important and request them, if needed. Administrators are valuable to the buying process because of their knowledge.
- **Students:** Often forgotten about in the buying process, students are more important than you might think. Especially in graduate degree programs, students have more power in swaying decision-maker choices.

PART 8

Who Has Purchasing Power

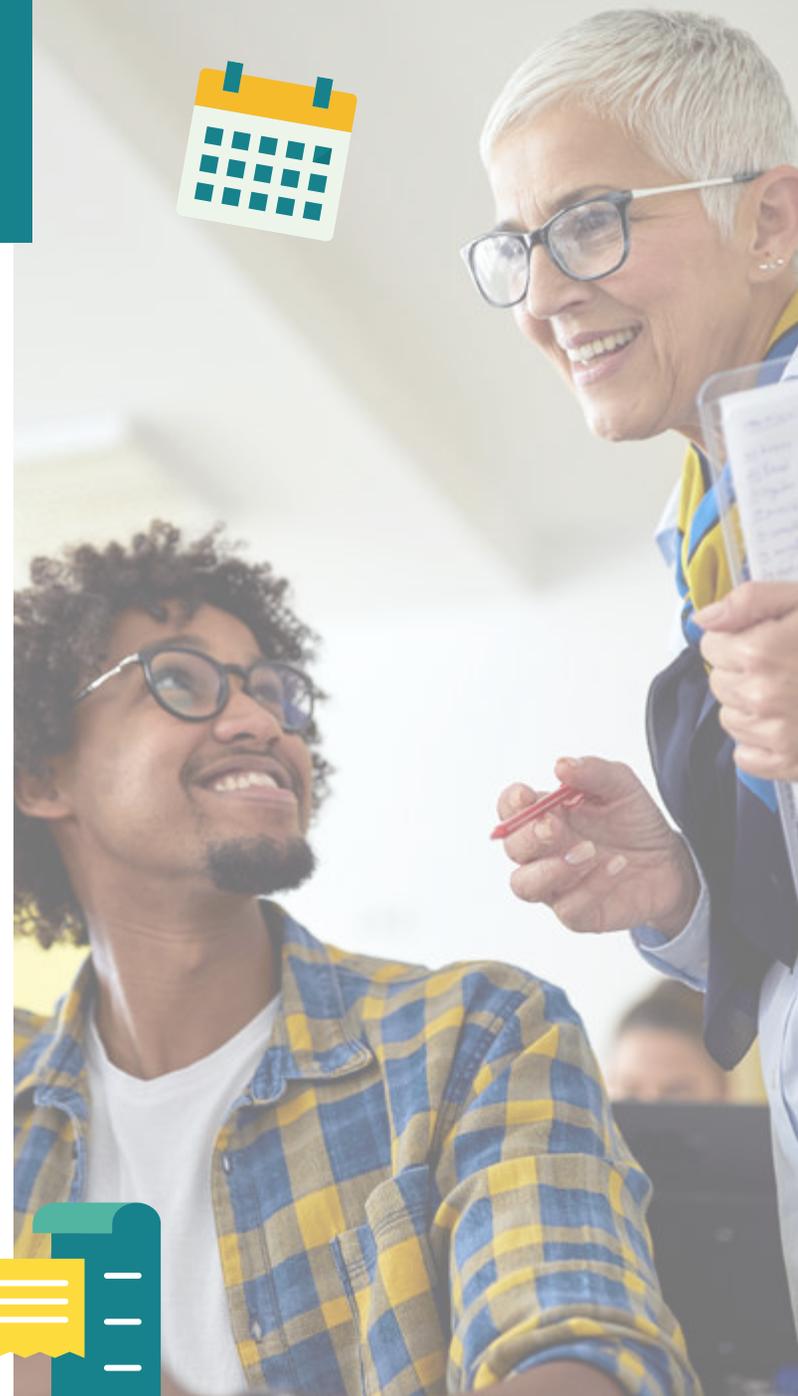
We've tiptoed around this topic, but it really does all come down to who has the real purchasing power in higher education. Note that there is a cycle that should be adhered to:

NOVEMBER - APRIL	MAY - OCTOBER	APRIL & MAY
<i>Information gathering and research</i>	<i>Goal setting and needs assessment</i>	<i>Purchasing decisions made</i>

April and May are when purchasing decisions are made, but most state/ federally-funded institutions begin working on their budgets for the next academic year between January and March. Keep this in mind as a salesperson so that they can ensure that their offerings are included in budgeting efforts before they are submitted to the administrative body in late March.

Here are the key teams that have purchasing power:

- Procurement and Payment Services (PPS)
- Administration and financial boards
- University financial system





PART 9

Modern Higher Education Budgets

It's important to understand the budget of the school that you are approaching so that you can offer appropriate products and services

This is a variable number, but according to NCES, "In 2019–20, U.S. degree-granting postsecondary institutions spent **\$671 billion.**"

EdTech Magazine reports that **sales budgets are decreasing** - "auxiliary sales fell 12.5% at public four-year institutions in the 2020

fiscal year." At the same time, many higher education institutions have been allocated a recoup budget from the government that must be spent before a flexible deadline that is likely to change. In these cases, a seller should do their research and determine what the best plan of action is for their target customer.





PART 10

Modern Higher Education Budgets (continued)

Local budgets can change dramatically from school to school, so be prepared and understand where the education budget currently stands. A research project by the [University of Illinois](#) found that “22 states have cut a combined \$1.9 billion in funding for higher education for the fiscal year translating to roughly 3.8% of what those states were spending on higher education before the COVID-19 pandemic.”

Many colleges and universities have government funds that were given to support them during the pandemic. According to the National Association of Student Financial Aid Administrators, a new COVID stimulus bill included [\\$40 billion](#) for higher education institutions, available through September 30, 2023. As the seller, you need to understand what kind of budgets the universities and colleges have to offer, even if some of it is government-provided.

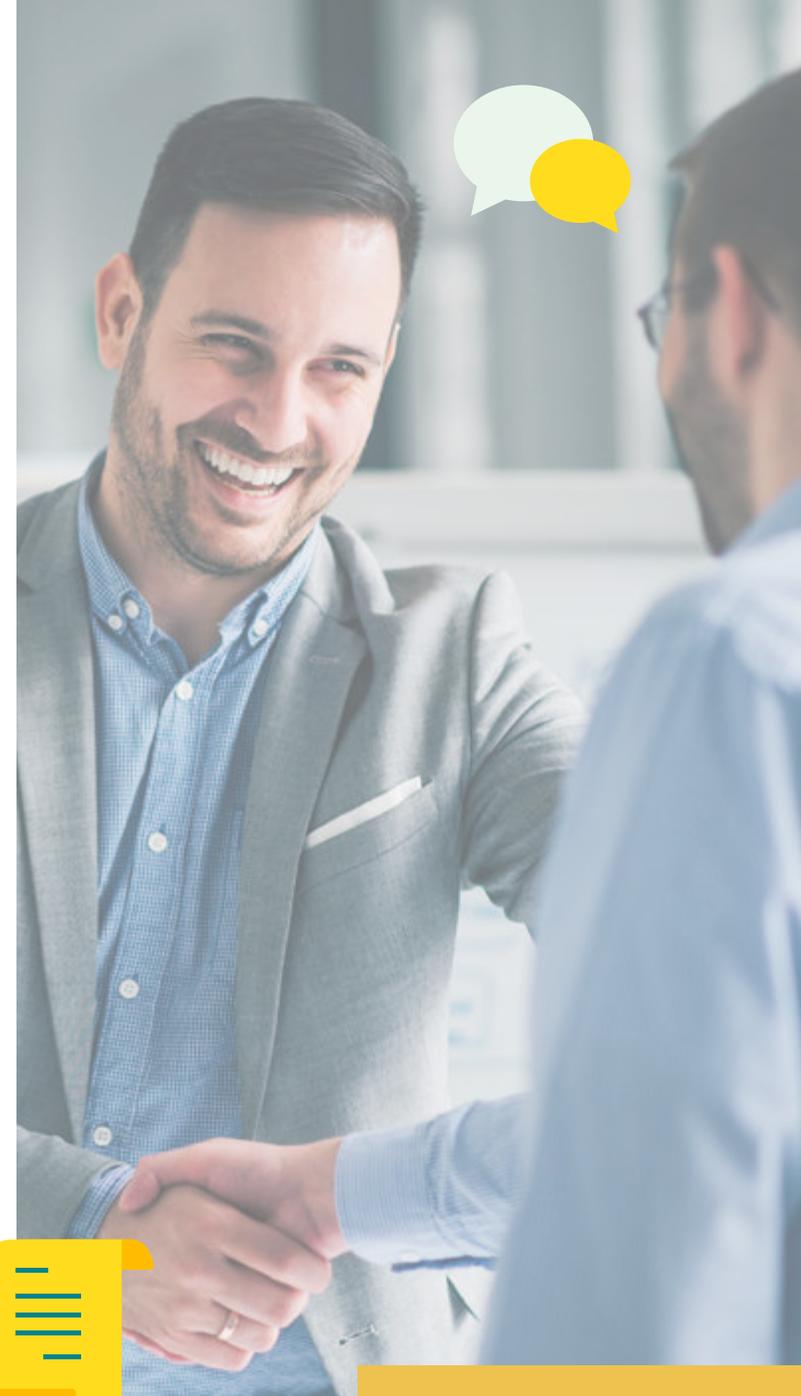
PART 11

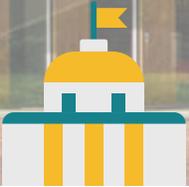
How to Approach the Leaders

Any salesperson is aware of how important first impressions are to making the end sale.

Once you find the key decision-makers, it's all about creating connections with those people that will last. Prior research and background information can go a long way in aiding you to do this.

With knowledge of their budget and potential product or service requirements, you can approach the key stakeholders correctly. Enter the discussion willing to learn about their needs, but also showcasing your knowledge and possible solutions.





PART 12

Meeting Buyers Where They Are



You may have sensed a trend throughout this eBook... meeting the buyers where they are.

Especially with restricted budgets and mounting pressures, buyers in this market are sometimes not interested in trying anything new or getting out of their comfort zone. To this end, it's important to focus on the outcomes of a seller's solution, which could help work against the status quo.

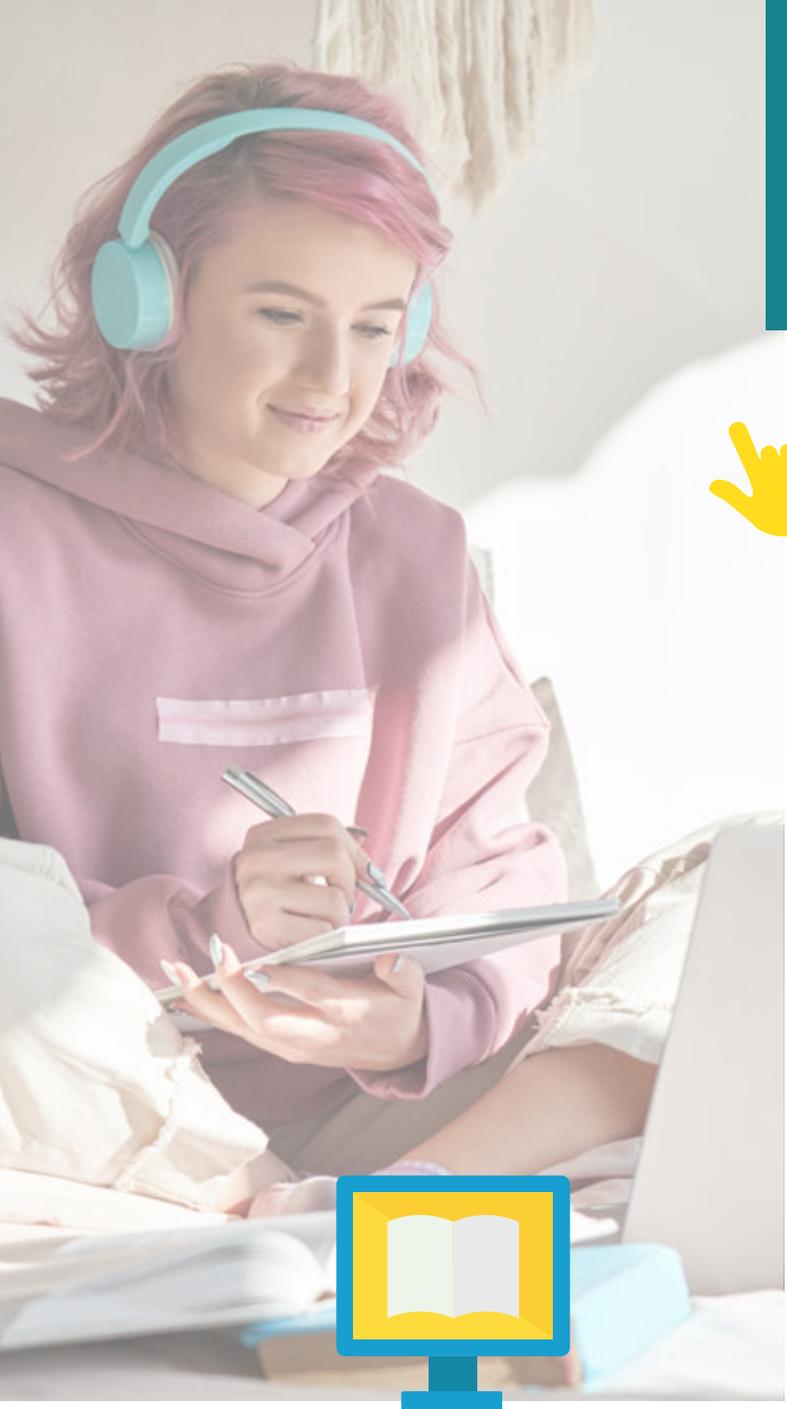
Higher education faced a total of **\$1.9 billion** in state funding

cuts for the fiscal year 2021, leaving them skittish and sometimes reticent to spend money.

With more turnover and uncertainty, it's important to ensure that the seller has current, up-to-date contact information for buyer

This is yet another reason to be well-versed in who decision-makers and those with purchasing power are.





PART 13

What Are the Future Needs of Higher Education?

So what is the future of higher education? While much is uncertain, there are some relatively reliable projections for the future. Remote learning is on the rise and showing no signs of slowing. With this, schools have an increased need for active learning, all while taking note of the continuing issue of affluence gaps.

Once sellers can accurately anticipate these needs, they can more efficiently offer solutions. It all comes down to taking note of where the industry is headed in response to world events.





PART 14

Making the Final Decision

There are many different factors that go into the complex world of higher education, especially for the salesperson. Take the time to create a solid messaging plan that accurately reflects your goals and the institution's unique needs.

Agile Education data can offer a vital advantage to sellers, something that is invaluable and offers the seller knowledge that can make a real difference in the bottom line.

Data reveals which purchases schools and districts are more likely to make, which is useful in a multitude of ways.





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