



TECHNICAL CAREER INSTITUTES, INC. (TCI COLLEGE): STRATEGIC ANALYSIS

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Abstract

This paper provides a framework for the in-depth analysis of TCI College's strategy and corporate management. The analysis will culminate with a recommendation to the CEO and the board of directors on how to improve the strategy for TCI. The analysis will include mission, vision, values, strategic plans, five forces model, SWOT, competitive strategy, strengthening the competitive position, the global market, business diversification, ethics, social responsibility, building capabilities to executing strategy, and managing internal operations, among others.

Keywords

Business Analysis, Business Strategy, Executing Strategy, Strategic Analysis

STRATEGY ANALYSIS

Company

Technical Career Institutes, Inc., commonly known as TCI College.

Location: 320 W. 31st Street, New York, NY 10001

Industry in which the company operates: Higher Education

TCI College operates in the higher education industry. TCI College is a two-year private for-Profit College and offers over 14 academic degree programs that focus on technology, business, engineering, and healthcare. TCI College is accredited by the New York State Board of Regents and the Middle State Commission of Higher Education (About TCI College, 2016).

Strategy

Strategic Plans Goals: 2012 – 2015

- Ensure that all graduates are job-ready, marketable, and capable of sustained employment.
- Increase student retention and graduation rates.
- Improve campus culture and college life.
- Implement hybrid and online course delivery modalities.
- Achieve Baccalaureate status.
- Explore new markets for recruiting students.
- Enhance information technology and its use across the college
- Enhance faculty and staff professionalism and productivity” (Strategic Plans and Goals, 2015).

It is clear that TCI's College strategy is to seek new opportunities to grow as an institution. Their strategy includes achieving baccalaureate status and implementing an online course delivery modality. By reading their strategy, you can discern that they are in the process of trying to expand their customers (students) and expand to new markets such as online education. In addition, they are taking into consideration their existing customer base, as one of the strategies is to ensure that all graduates are job ready.

TCI College has a winning strategy. It defines the objectives (achieving baccalaureate status and online course delivery), the scope (exploring new markets), and the advantage (faculty and staff professionalism and

productivity). Furthermore, the strategy fits well with the company's situation, and it is helping the company achieve a sustainable competitive advantage. One of the main performance targets for TCI is to be able to achieve a 1.5 composite score. "The composite score reflects institutions' overall relative financial health along a scale from negative 1.0 to positive 3.0. A score greater than or equal to 1.5 indicates the institution is considered financially responsible" (Financial Responsibility Composite Scores, 2015). For the year 2012-2013, TCI College achieved an exactly 1.5 composite score reflecting excellent financial health as determined by the United States Department of Education.

TCI's management has developed a detailed understanding of every element of the firm strategy. The result is a brief statement that reflects the three elements of an effective strategy (Collis & Rukstad, 2008, p 90).

Mission Statement

TCI College, Mission Statement

"Technical Career Institutes, an urban college, offers diverse groups preparation for careers in technology and related fields by providing state-of-the-industry curricula which blend scientific theory with hands-on practice.

This mission is inspired by a one-hundred-year heritage of scientific and technological education that began with the Nobel Prize-winning founder Guglielmo Marconi. It was continued during the school's years as the RCA Institutes, under the guidance of the eminent David Sarnoff, and is now carried forward by Technical Career Institutes, Inc., commonly known as TCI College" (Mission Statement, 2015).

The City University of New York, Mission Statement (Competitor)

"As one of twenty-three colleges within The City University of New York, BMCC shares CUNY's mission to preserve academic excellence and extend higher educational opportunity to a diversified urban population. In addition, Borough of Manhattan Community College is dedicated to providing general, liberal arts, career education, and continuing education programs relevant to the needs, interests, and aspirations of students of all ages.

The College is committed to offering quality education in a pluralistic urban environment, fostering excellence in teaching, facilitating the enhancement of learning, and sustaining full access to higher education for those who seek fulfillment of personal, career, or socioeconomic goals. BMCC is also committed to providing collaborative programs and services responsive to the community's educational, cultural, and recreational needs" (Mission Statement and Goals, 2015).

ASA College, Mission Statement (Competitor)

"The mission of ASA College is to educate a diverse and qualified student population to become responsible professionals committed to lifelong learning by equipping them with a firm academic foundation and career-specific competencies.

ASA offers high-quality degree and certificate programs that respond to the needs of students and employers in a global economy.

The ASA faculty and staff are dedicated to maintaining professionalism and institutional integrity in a student-centered environment" (ASA College Mission Statement, 2015).

Two of TCI's main competitors are ASA College and Borough of Manhattan Community College (BMCC). A mission statement should describe the enterprise's present business and purpose. It should clearly convey within the message "who we are", "what we do", and "why we are here." The statement should identify the company's products and services, specify the buyer needs that the company seeks to satisfy and the customer groups or markets it serves, and should give the company its own identity (Thompson, Peteraf, Gamble, & Strickland III, 2016, p 24).

TCI's mission statement conveys what they are (urban college) and what they do (offers diverse groups preparation for careers in technology and related fields by providing state of industry curricula which blend scientific theory with hands-on practice). (Mission Statement, 2015) However, it does not clearly specify "why we are here." It identifies the products, but vaguely (technology and related fields). It is not clear what they mean by related fields. The college offers programs such as Business Administration, Human Services, and Accounting. Are these related fields to technology? It identifies the buyer's needs (career) and gives the company an identity. However, it fails to connect to the customers (students). Does TCI value its students? For example, ASA College adds the following (in a student-centered environment) to its mission statement (ASA College Mission Statement, 2015). Also, BMCC adds the following (relevant to the needs, interests, and aspirations of students of all ages)

(Mission Statement and Goals, 2015). ASA College and BMCC have similar statements doing an excellent job of identifying who they are and what they do. All three of these institutions have very similar mission statements regarding the message.

TCI Core Values

“Academic Excellence

We strive to provide a high-quality education to help students realize their full potential through instruction and academic support services. We believe that successful relationships between engaged learners and dedicated faculty and staff are critical for fostering academic excellence.

Student Centeredness

Our policies, procedures, and professional conduct demonstrate our commitment to students. Students are our top priority, and we are here to ensure their success.

Credibility and Integrity

We operate with integrity and earn enduring credibility with others, which we believe is essential to long-term relationships.

Institutional Effectiveness

We must continuously improve and innovate to sustain and advance the College and help us meet the needs of the populations we serve.

Team

We value and care about each other, operate with a generosity of spirit, and have fun in the process of working together. To maximize our collective impact, we inspire, challenge, and support each other to be our best.

Courage

We must be brave and do what is right regardless of our fears, the difficulties, or the consequences.

Accountability

We do what we say we are going to do when we say we are going to do it. We earn the right to hold others to a high level of accountability by being accountable to ourselves, our constituencies, and our partners.

Community

We embrace diversity, show respect and compassion for others, and treat one another with fairness. Moreover, we believe in empowering diverse communities through education and other means of civic engagement” (TCI Core Value, 2015).

These days’ core values have become part of a company’s DNA. They define what an organization stands for, highlighting an expected and ultimate set of behaviors and skills. When core values are successfully integrated into an organization, they set the foundation for their culture. Values set the climate of the workplace and help determine how success is defined and measured (Jeffrey, 2014). By creating standard principles that guide the company's culture and employee behavior, the Leadership is giving a clear message of how the organization intends to serve its customer. TCI Core Values convey a message of excellence, student-centered orientation, credibility, integrity, teamwork, accountability, and social responsibility.

EXTERNAL ENVIRONMENT AND COMPETITIVE POSITION

Driving forces

TCI College operates in the higher education industry, and the main driving forces are political, economic, social, and technological. The most powerful and widely used tool for diagnosing the principal competitive pressures in the market is the five forces, as initially developed by Harvard Business School Michael E. Porter in 1979. These include (1) competition from rival sellers, (2) competition from potential new entrants to the industry, (3) competition from producers of substitute products, (4) supplier bargaining power, and (5) customer bargaining power (Thompson, Peteraf, Gamble, & Strickland III, 2016, p. 49).

TCI College's closest rivals

As a two-year private for-profit college, TCI competes with state-sponsored community colleges and other two-year private institutions. In the case of TCI College, its most close competitors are Borough of Manhattan

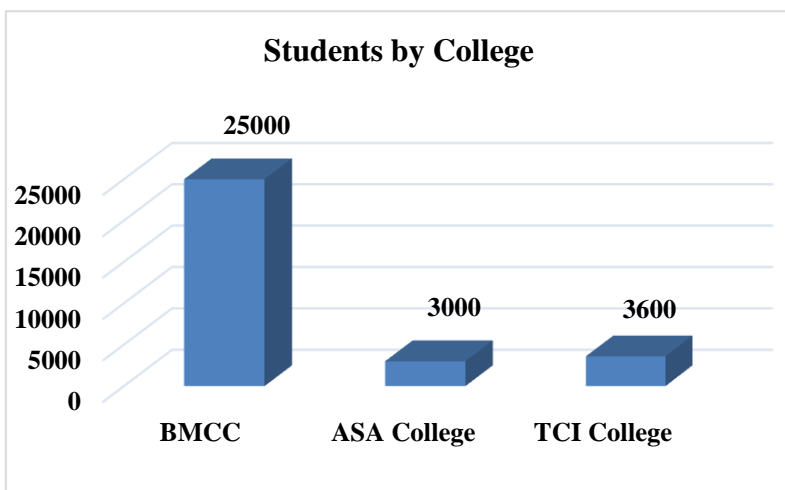


Figure 1

Community College (BMCC) and ASA College. “BMCC was founded in 1963 and opened in 1964 as a small, primarily business-oriented community college offering programs aimed at the business community. BMCC is now the largest college in the City University of New York system, with roughly 25,000 students, and is the first community college in Manhattan” (History of BMCC, 2015). BMCC offers programs in various disciplines, such as Business, Health Disciplines, Computer Technology, Liberal Arts, and Science. “ASA College was founded in 1985. Since then, the college has grown to more than 3000 students, 20 programs of study (Business, Health Disciplines, Criminal Justice, and

Computer Technology), and two large, centrally located campuses in midtown Manhattan and downtown Brooklyn” (A Tradition of Success, 2015). “TCI College serves more than 3,600 students in a spring or fall semester with 14 academic degree programs that focus on technology, business, engineering, healthcare, and many other career paths” (About TCI College, 2015). BMCC offers Associate in Art (AA), Associate in Science (AS), and Associate in Applied Science (AAS) degrees (Academic Programs, 2015). “ASA College offers both Associate in Appliance Science (AAS) and Associate in Occupational Studies (AOS) degrees” (New York/Degree Programs, 2015). TCI College offers AAS and AOS degrees (College Catalog, 2015).

Competition from rival sellers

TCI College faces intense competition from BMCC and ASA College. The main concern for TCI is that BMCC, as a fully funded state college, has, by a considerable margin, many more resources at its disposal. BMCC tuition is \$2,400 per semester (BMCC Tuition, 2015). ASA College tuition per semester is \$5,940 per semester (ASA College Catalog, 2015). TCI College tuition per semester is \$6,585 per semester (TCI Schedule of Tuition & Fees, 2015). Comparing tuition, it is clear that BMCC has significantly lower tuition costs and, as a result, holds a significant competitive advantage over TCI and ASA College. TCI costs \$4,185 more than BMCC per semester, which is about 174% higher cost, and \$645 more than ASA College, about 11% higher cost per semester.

TCI and ASA College are about equal in resources at their disposal. All three institutions have basically the same credentials in terms of accreditations. “TCI holds accreditations by the New York State Board of Regents and the Commissioner of Education and the Middle States Commission on Higher Education” (Accreditation, 2015).

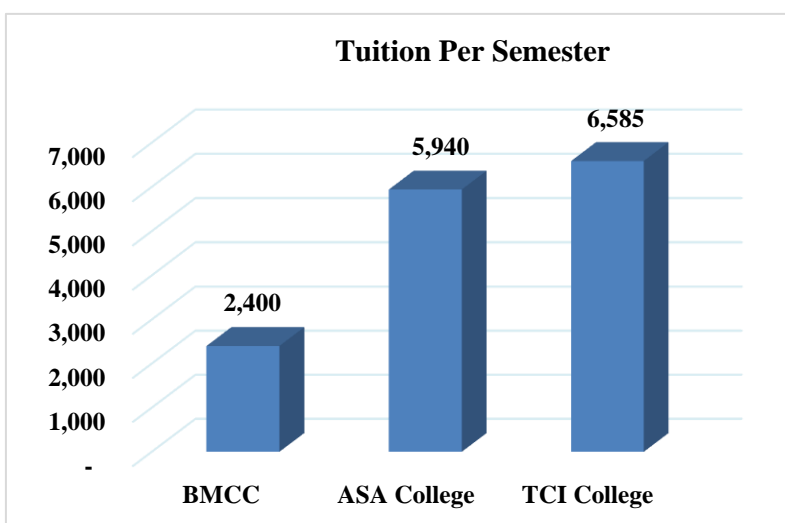


Figure 2

“ASA holds accreditations by the New York State Board of Regents and the Commissioner of Education and the Middle States Commission on Higher Education” (ASA Accreditation, 2015). “Middle States Commission accredits BMCC on Higher Education” (Middle States Accreditation, 2015). TCI and ASA have a competitive advantage over BMCC in customer service and curriculum quality. For instance, BMCC offers more liberal art courses in their accounting program than TCI and ASA. On the other hand, TCI and ASA focus more on core accounting courses as a way to differentiate them from BMCC. TCI and ASA use a focused differentiation strategy by offering buyers customized curricula that meet their needs.

Competition from potential new entrants

The threat of new entry is low due to three main factors, cost, regulations, and economics of scale. Enormous capital cost is required for new entrants. Costs include rent/lease, infrastructure, equipment, qualified personnel, and utilities. In addition, there are many restrictive regulatory policies in the education industry, such as Cohort Default Rate, Composite Score, and Gainful Employment. Another factor to consider is economies of scale. "Economies of scale: In most industries, there exists a minimum level of production that achieves the optimal cost efficiencies for that industry. The higher the minimum efficient production level, the more difficult it is for new entrants to reach that specific production level. It is quite possible that new entrants will never reach this crucial economic production level and leave the industry" (King, 2015). For example, assume TCI College assigns a business class in a classroom with room for 60 students but only enrolls 25. TCI has excess capacity that it can be put to use by filling the remaining seats with students. In that case, there is little cost associated with that, and the college will realize economies of scale by doing so. By examining the previous example, it is clear that as more students are in a classroom, the cost per student is significantly reduced, as fixed cost is spread over a more significant number of students (Martinez, Martinez, & Voverton, 2015).

Higher education driving force

As one of the main driving forces of change in higher education, technology promises to be the vehicle for easier entry into the higher education arena. In particular, the Internet facilitates distance learning (Collis, 2015). Again, it relates to the economic scale. Distance Learning has potential savings in the average fixed cost per student. More and more colleges are entering the distance learning market. One of TCI's strategies is to gain approval from the New York State Department of Education and the Middle States so that the organization can enter the Distance Learning market.

Competition from producers of substitute products

As previously stated, technology is one of the main driving forces in higher education is technology. Technology has made education available anywhere and anytime. In substitution to traditional on-ground education, there is now distance learning education. Other substitutes for traditional higher education are also becoming increasingly popular. For example, nontraditional learning is provided by the Disney Institute, which offers everything from Cordon Bleu cooking to fly fishing and literary criticism.

Supplier bargaining power

Demand for suppliers' input is not one of the major factors in the higher education industry. There is demand for supplies such as stationery such as copy machine paper, pens, pencils, etc. However, there is little switching cost associated with a move to another supplier. Not a significant driver factor.

Customer bargaining power

Students "customers" bring a high bargaining power to the higher education industry. Buyers can demand additional features and services that increase industry members' costs. For instance, in the industry, customers can demand high-quality facilities with the latest technology available, highly qualified personnel, and services such as job placement assistance. There are many sellers in the higher education industry, including the options of on-ground traditional education or distance learning. Many colleges/universities to choose from Associate degrees to Ph.Ds cost varies with reputation of the college/university. With the aid of the Internet, customers can do some research and become better educated about the available options. Customers can go to any college/university website and find information such as cost, curriculum, extra-curricular activities, and many other options available. Customers can also request all this information by email. The cost of education these days is pretty high, and customers are learning to research the options and choose their best option. That gives the customer some bargaining power. One factor customers consider in choosing a college is the perception of the college's reputation. The higher the reputation, the higher the college could charge, which decreases customers' bargaining power. For example, its academic success can justify TCI's high cost. "For the past 13 years, Community College Week has ranked TCI as one of the top 2-year colleges in America. In their most recent survey for the 2010-2011 academic year, TCI ranked #1 in the Nation among 2 & 4-year institutions in awarding Associate Degrees in Engineering Technologies & Engineering related fields" (About TCI College, 2015). There is little differentiation in the products. Most colleges and universities have their core courses for the particular major, and there is no significant differentiation in that aspect.

Assessing the impact of the collective strength of the five competitive forces

TCI faces intense competition from rival sellers. BMCC holds a competitive advantage over TCI in resources. ASA College and TCI are in even terms. Competition from rivals is intense. The competition from new entrants is weak due to the extremely high capital required to enter the industry and all regulations and economies of scale. The competition from producers to substitute products is moderate. Supplier bargaining power is weak. It is not a

significant factor in the higher education industry. Customers bring high bargaining power in the industry unless the college has a high reputation. TCI, among 2-year and community colleges, is highly regarded as one of the top colleges in America. As a result, the customer bargaining power is weakened. The strongest completion comes from completion from rival sellers. One strong force out of five is not indicative of pressure on profitability. TCI has adjusted its strategy of just being a 2-year college. Currently, TCI is seeking approval for baccalaureate degrees and entering the distance learning market to try to expand to the entire Nation and overseas.

TCI performance

TCI has achieved a 1.5 composite score, according to the United States Department of Education (Financial Responsibility Composite Scores, 2015). The 1.5 indicates that the institution is considered financially responsible. The composite score is composed of three financial ratios:

$$\text{Primary Reserve Ratio} = \frac{\text{Adjusted Equity}}{\text{Total Expenses}}$$

$$\text{Equity Ratio} = \frac{\text{Modified Equity}}{\text{Modified Asset Income Before Taxes}}$$

$$\text{Net Income Ratio} = \frac{\text{Net Income}}{\text{Total Revenues}}$$

The composite score is crucial to TCI's continued existence. For the college to be eligible to receive Federal Student Aid (FSA), it must demonstrate that it is financially responsible. "The Primary Reserve Ratio represents a measure of a school's viability and liquidity. The Equity Ratio represents a measure of a school's capital resources and its ability to borrow. The Net Income

Ratio measures a school's profitability" (Financial Responsibility, 2015). Achieving that goal indicates that TCI is financially responsible and meeting its performance targets.

Strengths	Weaknesses
1. A long, positive history of providing quality education for a diverse student body.	1. Equipment needs to be continually upgraded.
2. Highly qualified faculty and staff.	2. High volume of students from lower-economic brackets.
3. Excellent location.	3. TCI does not show as "the school of choice." Alternatively, it is a high-tech college.
	4. High tuition cost.
	5. Additional capital needed.
Opportunities	Threats
1. Entering new markets (4-year degree and distance Learning).	1. Possible loss of main building without a suitable replacement.
2. Open multiple locations to increase recruitment base.	2. Stricter regulations.
	3. Ownership.
	4. Negative publicity.
	5. Terrorist attack.

TCI SWOT Analysis 2015

SWOT analysis of TCI

Strengths

1. A long, positive history of providing quality education for a diverse student body. TCI has been ranked as one of the top 2-year colleges in America for the past 13 years by Community College Week Magazine (About TCI College, 2015).
2. Highly qualified faculty and staff. TCI has highly qualified faculty and staff.
3. Excellent location. TCI's current location is located in a safe, convenient, and accessible area of New York City. The location is near transportation hubs.

Weaknesses

1. Equipment needs to be continually upgraded. As a college of technology, it is required to have the most updated equipment and the latest technology.
2. High volume of students from lower economic brackets. As a 2-year institution, most TCI students come from lower economic brackets.
3. TCI does not appear as "the school of choice" or that it is a high-tech college. Researching online, it is hard to find TCI rated as a top school of choice.
4. High tuition cost. TCI tuition is high when compared to the other two years institutions and even higher when compared to community colleges.

5. Additional capital needed. For the continued improvement of academic programs and the possibility and the possibility of opening multiple locations, additional resources will be needed.

Opportunities

1. Entering new markets (4-year degree and distance Learning). TCI has the opportunity to take advantage of its long tradition of high-quality education to grow and expand by entering new territory to compete for some market share of the 4-year institutions and distance learning market. Increasing enrollment will generate revenue that should be used to add new locations.
2. Open multiple locations to increase the recruitment base. Opening multiple locations increases TCI's recruitment base. In addition, new facilities will allow more space to be allocated to academic support services.

Threats

1. Possible loss of the main building without a suitable replacement. Losing the main building's central location will devastate TCI's bottom line. Location is one of the primary resources the college has available due to its easy access to transportation.
2. Stricter regulations. Stricter or even new regulations could create unnecessary compliance issues and potentially threaten funding for students who rely on grants. In addition, State and Federal agencies can produce new policies that are not necessarily in TCI's best interest.
3. Ownership. As a proprietary institution, TCI can be recapitalized or sold by its parent corporation. Any change in corporate structure which would result in a change of control must be approved by TCI's regulatory and accrediting bodies. If such a change of control should occur, the new owners might have a different perspective on the strategic goals and objectives of the College.
4. Negative Publicity. The for-profit education sector continues to be under attack by the media, which has negatively affected the public perception of proprietary colleges.
5. Terrorist attack. As New York City (NYC) goes, so goes TCI. Anything adversely affecting the city, be it another round of terrorist attacks or a return to the high crime rates and urban decay of the 1970s, would make it more difficult for the College to fill its mission effectively.

TCI core competency

Core competency is defined as "a unique ability that a company acquires from its founders or develops, and that cannot be easily imitated. Core competencies are what give a company one or more competitive advantages in creating and delivering value to its customers in its chosen field" (Core Competencies, 2015). In TCI's case, the main core competency is customer service. Established best practices and highly qualified personnel give the organization a competitive advantage. TCI's reputation of the long positive tradition of providing high-quality education coupled with excellent customer service should allow the company to expand into new end markets such as baccalaureate degrees and distance learning.

Representative weighted competitive strength assessment

Key Success Factor/Strength Measure	Competitive Strength Assessment (rating scale: 1 = very weak, 10 = very strong)						
	TCI College			BMCC		ASA College	
	Importance Weight	Strength Rating	Weighted Score	Strength Rating	Weighted Score	Strength Rating	Weighted Score
Quality of education	0.1	7	0.7	9	0.9	5	0.5
Relative cost position	0.2	4	0.8	10	2	5	1
Customer service capabilities	0.1	10	1	3	0.3	7	0.7
Reputation	0.1	7	0.7	7	0.7	4	0.4
Qualified personnel	0.1	8	0.8	9	0.9	7	0.7
Facilities	0.15	5	0.75	10	1.5	5	0.75
Location	0.15	10	1.5	4	0.6	7	1.05
Financial Resources	<u>0.1</u>	6	<u>0.6</u>	10	<u>1</u>	5	<u>0.5</u>
Sum of importance weights	1						
Overall weighted competitive strength rating			6.85		7.9		5.6

Table 1

Competitive strength assessment

TCI holds a competitive advantage over ASA College but a competitive disadvantage over BMCC. TCI should go on the offensive to win additional sales and market share versus ASA College, which has a lower overall strength score. BMCC and ASA both hold a competitive advantage over TCI in tuition costs.

Value chain activities

As an open-enrollment institution, TCI accepts many students who are at risk due to a lack of financial resources, deficiencies in their academic preparation, ESL needs, and family and work responsibilities. TCI students seek great customer service, quality assurance, and a high-status brand. The primary activity that creates a value chain is the greater customer service offered by the college. For instance, TCI has Financial Aid, Learning Center, Students Affairs, Career Service, and Library services for the convenience of the students creating high-value customer service. Human Resources Management and General Administration provide support. Community colleges in NYC are notorious for their lack of customer service. Here is where TCI draws strength. As a private college, TCI can offer more services and less crowded classes benefiting students who require more attention. TCI management must ensure the best practices are adopted for quality education, marketing, and customer service. In addition, to keep in line with differentiation, the cost must be allocated to activities that address TCI customers' more important criteria, such as tutoring, library, and career service assistance. The combination of all these departments has resulted in a high-value chain. Furthermore, TCI's long financial history and name recognition give the ability to the organization to negotiate favorable credit terms with outside vendors as well as a workable line of credit from investors. The high-value chain activities translate into proficient performance, and they provide a basis for differentiation, so customers are willing to pay relatively more for the company's services.

Competitive strategy

TCI's generic competitive strategy is based on a focused differentiation strategy. TCI concentrates on a narrow buyer segment by offering niche members customized attributes that meet their tastes and requirements better than rivals. As previously stated, TCI is an open-enrollment institution that accepts a diversified population of students at risk due to a lack of financial resources and/or deficiencies in their academic preparation. As a result, TCI must customize its curriculum to meet the needs of this particular segment of the population. For example, TCI offers many certificate preparation and career training classes to differentiate itself from the competition and to offer better value for the money. For those entering the IT profession, TCI offers free of charge an A+ Certification Exam Preparation class. "Earning an A+ certification validates the technical and customer skills that are needed by today's IT professionals" (TCI College Catalog, 2015). For business students, it offers Certified Bookkeeper Exam Preparation. "This class serves as a final review for students preparing to sit for the certified bookkeeper exam" (TCI College Catalog, 2015).

By offering free certificate preparation classes, TCI separates itself from the competition by offering superior attributes such as a superior curriculum and customer service that appeal to its niche members.

Certifications are an excellent way to improve students' credentials. When a student becomes certified in a unique skill or program field, this will make the student more marketable to employers. In addition, enhancing the student credentials validates the level of education received at the institution. In other words, it proves that the student did learn what he was supposed to learn to prepare for the particular job the student is seeking. Job placement is very important for the institution to differentiate itself from the competition as that is one of the customer service traits that differentiate the college from its competition. According to TCI's website, TCI has a job placement rate of 91 percent in the year 2012 (Placement Rates, 2012). In turn, that enhances TCI's reputation as a provider of quality education as well as quality services giving the institution a competitive advantage.

STRENGTHENING COMPETITIVE POSITION AND THE GLOBAL MARKETPLACE

Strengthening competitive position

TCI's main generic strategy has been a focused differentiation strategy as the organization seeks to recruit students who are generally under-prepared for college-level work. Consequently, TCI has a need for remediation, ESL, tutoring, and other academic support services. In response to that, TCI has customized its curriculum to offer more value for the money with added certification courses as well as an array of academic support services available to the students. TCI has to focus on a strategy that is designed for a narrow market with a mix of economically challenged, mostly minority students. Most of these students rely on financial aid. As a result, a focused differentiation is appropriate to gain the ability to concentrate on a narrow buyer segment by offering superior attributes that set the company apart from its competition.

Strategic position

The organization is currently pursuing offensive strategy options, such as pursuing continuous product innovation and adopting the best ideas of others. The College is pursuing baccalaureate degrees as well as distance learning

approval from accrediting agencies as a way to enter new markets and gain a competitive advantage over BMCC and ASA College. On the defensive end, TCI continues to strive to balance its divergent commitments to open enrollment, high academic standards, and superior customer service. However, for TCI College, changes in any of the following areas could fundamentally alter or abolish the various initiatives in the organization's strategies.

- 1) **Ownership.** As a proprietary institution, TCI can be recapitalized or sold by its parent corporation. Any change in corporate structure which would result in a change of control must be approved by TCI's regulatory and accrediting bodies. If such a change of control should occur, the new owners might have a different perspective on the strategic goals and objectives of the College.
- 2) **Location.** TCI may choose a new location for its main campus. As compared to the existing main campus, the new campus's specific location and physical facility could have a greater or less number of positive or negative features.
- 3) **Market changes.** While technically focused, TCI purposefully has a curriculum with diverse disciplines so that it is protected against falling enrollments in any one area. Nevertheless, a rapid shift in interest among the college-attending population toward majors TCI does not currently offer could result in enrollment declines.
- 4) **Financial aid.** TCI's students are very dependent on federal and New York State financial aid. If federal and state aid is reduced or fails to keep up with rising costs, the College could encounter financial challenges.
- 5) **New York City.** As New York goes, so goes TCI. Anything adversely affecting the city, be it another round of terrorist attacks or a return to the high crime rates and urban decay of the 1970s, would make it more difficult for the College to fill its mission effectively.

Complementary strategy options

The most logical choice for TCI is to seek strategic alliances. TCI's name recognition and long financial history allow the organization to negotiate strategic alliances with vendors to reduce costs for the much-needed supplies required for the proper function of the value chain of activities. Vertical integration is not an option due to the nature of the business. TCI would not receive a cost benefit by manufacturing its own supplies. In fact, it will be the total opposite; the cost will be greater than the benefit. Other alliances that TCI must continue to seek are articulation agreements with other colleges and universities to facilitate students' transferability of credits and/or degrees to 4 year or higher institutions. Presently, TCI has articulation agreements with the Institute of Technology at Utica/Rome (State University of New York), Mercy College, Metropolitan College, Monroe College, St. Joseph's College, DeVry University, Touro College, Pratt Institute, and City University of New York (CUNY) in the state of New York, Fairleigh Dickinson University in New Jersey, and Ferris State University in Michigan. (TCI College Catalog, 2015, p.58-60) Articulation agreements are essential to TCI's competitive advantage as other colleges and universities recognize TCI as an institution that provides quality education. Acquisitions and mergers are not likely an option due to TCI having limited capital resources.

The global market

TCI, at this point, does not have the necessary core competencies, capabilities, or resources to compete in the international market. Moving operations to other countries would not be practical as the cost by far will exceed the benefits with no guarantees of success in the near future. "Profitability in developing markets rarely comes quickly or easily— new entrants have to adapt their business models to local conditions, which may not always be possible." (Thompson, Peteraf, Gamble & Strickland III, 2016, p.201) There is an opportunity to reach foreign markets if approval is granted for distance learning. Even then, there are a lot of logistic issues to deal such as payment, language, and practicality. Some of the programs cannot go fully online as they require equipment that, due to the high cost, would not benefit the institution or the student. Other programs, such as the business program that can go fully online, do not have the necessary reputation or accreditations to be able to compete at the international level. As a result, it would not be in the best interest of the college to seek global strategies at this time. TCI will be at a complete disadvantage. As a result, it could weaken its reputation. The cost will simply be greater than the benefit. At this point in time, for the institution, a focused differentiation strategy is more appropriate in which they can focus their strategy on a narrow market to build strength. Simply going abroad because the domestic market is not strong enough is a poor choice for going international. According to Aneel Karnani, a professor of corporate strategy and international business at the University of Michigan: "Too many times, that kind of thinking results in adding a lot of new costs that don't deliver new value," he said. (Vessels, 2012)

Additional actions to gain competitive advantage internationally

To compete in the international market, TCI must continue to grow and build a strong reputation. Additional actions that the college could take to gain a competitive advantage in foreign markets are contingent on distance learning approval and baccalaureate approval. TCI should arm itself with the most prestigious accreditations to continue to build its reputation and must continue to build on its core competency of superior customer service to

strengthen its position versus rivals. Other options for the organization are to start building alliances in foreign markets such as China. Building alliances are critical to getting into foreign markets quickly. Alliances are also good for gaining inside knowledge about unfamiliar markets and cultures.

DIVERSIFICATION STRATEGY AND ETHICS

Corporate strategy for business diversification

TCI's top executives must always consider a corporate strategy for improving the performance of the company's overall performance. That includes diversification into related or unrelated business, a mix of both or none, and/or divestiture and retrenchment. Companies diversify for various reasons, such as growth, to utilize existing resources and capabilities more fully, to escape from undesirable or unattractive industry environments, or to make use of surplus cash flows (Wanninayake, 2015). However, one of the most challenging decisions a company can confront is whether to diversify: the rewards and risks can be extraordinary (Markides, 1997). For instance, diversification must do more for the company than simply spreading its business risk across various industries. To make sense, diversification must add long-term economic value for shareholders (Thompson, Peteraf, Gamble & Strickland III, 2016, p.213). The goal is to achieve not just a $1 + 1 = 2$ result but rather to realize important $1 + 1 = 3$ (synergy) performance benefits (Thompson, Peteraf, Gamble & Strickland III, 2016, p.247). In order to minimize risk factors and to add justification, a diversification move must satisfy all three Tests of Corporate Advantage:

- “1. The industry attractiveness test. The industry to be entered presents good long-term profit, opportunities for growth, and a good return on investment.
2. The Cost of Entry test. The cost of entering is not so high as to spoil or exceed the potential for good profitability.
3. The Better-off test. The company's different businesses should perform better together than as stand-alone enterprises, such that company A's diversification into business B produces a $1 + 1 = 3$ effect for shareholders.

Diversifications that can pass only one or two tests are suspect" (Thompson, Peteraf, Gamble & Strickland III, 2016, p.213).

TCI's diversification strategy

TCI College is a close corporation with limited resources. As a result, no diversification strategy has been pursued by the organization. One of TCI's main competitive disadvantages is lacking enough resources to compete with rivals such as BMCC. As a result, the most logical decision is to build a solid foundation first before venturing into other business opportunities that could end up being too costly for the organization.

Growth strategy

Basically, diversification is a form of growth strategy. But, at this point, TCI is seeking to grow through economies of scale by seeking baccalaureate degrees and distance learning approval. That signifies that TCI has opportunities for growth in its present industry. Therefore, there is no urgency to pursue diversification. Consequently, TCI's strategy plan is to benefit from economies of scale rather than economies of scope. Furthermore, the benefits of diversification quickly diminish when the company does not pass the three tests of corporate advantage.

Better-off test

TCI does not have the adequate financial strength to fund different businesses while at the same time maintaining a healthy credit rating. In addition to that, it must have an adequate and big enough and deep enough pool of managerial, administrative, and competitive capabilities to support all of its different businesses (Thompson, Peteraf, Gamble & Strickland III, 2016, p.213). Therefore, TCI does not pass the Better-off test with its present resources. Add to that the fact that attacking too many fronts at the same time is not logical for a company of this size with its limited resources.

Diversification, helped or hurt the company?

Diversification has not helped or hurt the company directly since no diversification strategy has been pursued by the entity. However, indirectly it has benefited the company by allowing the organization to use its non-financial resources in a more efficient way, such as concentrating the efforts to build a reputable brand name. In addition, financial resources have been utilized to build favorable credit that helps strengthen the value chain activities. Also, financial resources are going to be needed as soon as the baccalaureate degree and distance learning is approved. Approval of baccalaureate degrees and distance learning will require additional capital investment. For instance, as TCI grows, it will need more space for students, additional instructors/professors, supplies, support services, and additional personnel. Thus, financial resources are going to be utilized to help grow the business through economies of scale.

Future proposal for business diversification

Diversification should always be an option to consider in business. TCI could consider diversification through internal development, referred to as corporate venturing or new venture development (Thompson, Peteraf, Gamble & Strickland III, 2016, p.213). As a technical college, TCI has all the resources it needs to start up a new business that is related to some of the programs offered at TCI. For instance, one of the programs offered at TCI is Automotive Technology. As required by the program, TCI has built a state-of-the-industry brand-new shop on its campus across from Penn Station and Madison Square Garden. Accordingly, a related diversification of building the company around a business where there is a good strategic fit across corresponding value chain activity is a strong option. Thus, a strategic fit exists by creating an auto repair service shop. TCI could benefit from economies of scope by utilizing the same repair shop for performing repairs and teaching students at the same time. In other words, sharing cost by combining the related value chain activity into a single operation. In addition, it could exploit TCI's brand name as a reputable higher education institution that provides quality services. TCI and an auto repair shop perform closely related value chain activities that could be used for their mutual benefit. The companies could share knowledge and talents and collaborate to create altogether new capabilities that could mutually be beneficial in improving their competitiveness and business performance (Thompson, Peteraf, Gamble & Strickland III, 2016, p.213). In turn, this related diversification strategy could provide a strong foundation for creating shareholder value. A related diversification is a better option than unrelated diversification since the specialized resources and capabilities that are leveraged in related diversification tend to be more valuable competitive assets than the general resources and capabilities underlying unrelated diversification, which in most cases are relatively common and easier to imitate (Thompson, Peteraf, Gamble & Strickland III, 2016, p.213).

Ethics

Code of ethics: "In Section 406(c), the Sarbanes-Oxley Act defines "code of ethics" as such standards as are reasonably necessary to promote-- (1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (2) full, fair, accurate, timely, and understandable disclosure in the periodic reports required to be filed by the issuer; and(3) compliance with applicable governmental rules and regulations" (Ethics Glossary, 2015, p.1)

TCI College does not have an official written code of business ethics. As an alternative, TCI has a statement of core values posted on the company website and posted on TCI's main building walls in various locations throughout the building. The core values define what the company stands for by highlighting an expected and ultimate set of behavior and skills. Successfully integrated core values set the foundation for the organization's culture (Jeffrey, 2014). The core values are the embodiment of what TCI stands for and should be the basis for the behavior of its members. By creating a code of values statement, the Leadership of the organization is guiding the company's culture and the expected employee behavior on how to serve its customer. With the Core Value statement, the Leadership seeks to convey a message of excellence, student-centered orientation, credibility, integrity, teamwork, accountability, and social responsibility.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility: is defined as "the obligation of an organization's management towards the welfare and interests of the society in which it operates" (Social Responsibility, 2015). CSR can encompass a wide variety of tactics, from giving nonprofit organizations a portion of a company's proceeds to giving away a product or service to a worthy recipient for every sale made (Fallon, 2015, p.1). There are three broad categories of CSR that businesses are practicing:

Environment: One primary focus of corporate social responsibility is the environment. Businesses, both large and small, have a large carbon footprint. Any steps they can take to reduce those footprints are considered good for the company and society as a whole.

Philanthropy: Businesses also practice social responsibility by donating to national and local charities. Whether it involves giving money or time, businesses have a lot of resources that can benefit charities and local community programs.

Ethical labor practices: By treating employees fairly and ethically, companies can also demonstrate their corporate social responsibility. This is especially true of businesses that operate in international locations with labor laws that differ from those in the United States" (Fallon, 2015, p.1).

TCI social responsibilities practices

TCI corporate social responsibility statement: "TCI understands that being a good provider of education and training goes beyond the classroom experience. That is a large reason why TCI students and administrators develop and take part in community-based programs. With programs such as Dare to Repair (DTR)and Dare to

Dream (DTD), TCI impacts the community outside the classroom and provides students some of the soft skills necessary to be successful in life" (TCI in the Community, 2015).

With programs such as Dare to Repair and Dare to Dream, the organization practices good social responsibility in the form of philanthropy. TCI donates time and resources to benefit the local community in which it conducts its operations.

Dare to Dream

"DTD is a project that was founded by TCI Humanities Instructor Robert G. Lubell in 1994. Based on Student volunteerism, the program benefits charitable organizations which assist the needy, elderly, and terminally ill. It also elevates the self-esteem and learning skills of the TCI students who participate. Some of the beneficiaries of DTD have been:

- A Better Place
 - AIDS Walkathon
 - Child-Life Project (Mount Sinai Hospital)
 - Covenant House
 - Friends of Animals
 - New York Blood Center
 - United Cerebral Palsy of New York
 - Victims Services
 - Women in Need
- and many, many more" (Dare to Dream, 2015).

Dare to Repair

"As a school of technology that utilizes a hands-on-based learning model, what better way to put learning into practice than the Dare to Repair program? This program allows students to apply their skills and training to actual equipment that will be given back and used in the community.

TCI students, in a supervised environment, take in outdated and/or broken equipment, such as computers and air conditioning units. They then assess their condition and repair the equipment. The equipment is then given to needy organizations in the community at no charge" (Dare to Repair, 2015).

TCI is in a win-win situation by practicing social responsibilities. Not only do these practices help the company appeal to socially conscious students and employees, but they also make a difference in the world. Furthermore, it allows students to apply their skills and training in actual practice.

Environmental sustainability

Environmental sustainability: is defined as "the maintenance of the factors and practices that contribute to the quality of the environment on a long-term basis" (Environmental Sustainability, 2015). For a company environmental sustainability strategy consists of its deliberate actions to protect the environment, provide for the longevity of natural resources, maintain ecological support systems for future generations, and guard against the ultimate endangerment of the planet (Thompson, Peteraf, Gamble & Strickland III, 2016, p.275).

TCI environmental sustainability practices

TCI has failed to provide an environmental sustainability statement. In today's society, the Leadership of the organization is expected to take responsibility for the actions of the corporation. More and more people hold accountable and expect the corporation to be a responsible citizen. In that respect, TCI has failed to assure the customers and the community that the organization recognizes that the environment is important.

Suggestions for improvement in the areas of ethics and environmental sustainability

Ethics suggestions

TCI should prepare a written code of business ethics as soon as possible. The alternative (Core Value Statement) is more guided toward a basis of values-based decision-making. Also, the Core Value Statement outlines the aspirations that can drive the organization toward continuous improvement. Whereas the code of ethics clearly establishes minimum standards of acceptable conduct. (Cruz & Frey, 2015, p.1)

An ethics policy should help the company understand and develop policies on issues of business and expected employee conduct. Having an ethics policy is now considered a hallmark of a well-managed company, and it is considered to be good corporate governance. Corporate values and ethics must come from the Leadership. The board of directors should be directly involved in crafting the ethics policy. The code should be endorsed by the chairman and/or CEO, and board members should require regular reports on how the code is operating. The organization must also understand that having a code is not enough. The code needs to be understood, used, taught,

monitored, and regularly re-evaluated and revised (Webley, 2015, p.6). Recommended best practices by the "Institute of Business Ethics:

- Root the code in core values such as trust and integrity.
- Give a copy to all staff.
- Provide a way to report breaches in a confidential manner.
- Include ethical issues in corporate training programs.
- Set up a board committee to monitor the effectiveness of the code.
- Report on the code's use in the annual report.
- Make conformity to the code part of a contract of employment.
- Make the code available in the language of staff located overseas.
- Make copies of the code available to business partners, including suppliers.
- Make a named individual responsible for code implementation.
- Review the code in light of changing business challenges.
- Make sure senior staff "walk the talk" (Barman & White, 2015, p.1)

Environmental sustainability suggestions for improvement

TCI should prepare an environmental sustainability statement reflecting policies on environmental policies as soon as possible. The statement should reflect the organization's philosophy, intentions, and objectives regarding the environment. Example:

"Our attention to environmental, social, and economic responsibility includes working within the law and voluntarily exceeding legal requirements in order to be innovative and demonstrate Leadership on the issues that are important to us and our stakeholders.

Objectives

We commit to:

1. Minimize environmental impacts in the areas of waste, water, energy, and air quality.
 - KWh energy use at the office: Reduce to under 21,000 kWh this year.
 - A heating policy calls for college facilities to be heated more during normal operating hours and less during off hours.
 - Management Software that shuts down computers when they are not in use.
2. Give back to communities by volunteering and donating resources.
 - Dare to Dream and Dare to Repair.
3. Ensure our supply chain has responsible social and environmental practices.
 - Percentage of vendors used who meet company minimum sustainability guidelines: 75% of vendors compliant.
4. Create innovative approaches to minimize negative environmental impacts, improve economic bottom lines and integrate social elements into delivering meetings.
 - Taking steps to reduce paper.
 - Recycling" (MeetGreen Sustainability Policy Template, 2015, p.2).

STRATEGY EXECUTION

TCI's hiring and training practices to support strategy

The organization must recognize that good strategy execution requires a team effort. Therefore, in order for the organization to be successful in implementing a strategy, it is essential to staff the company with managers and employees that are capable of executing the strategy. The key managers are ultimately responsible for seeing that strategy is executed successfully. (Thompson, Peteraf, Gamble & Strickland III, 2016, p.288).

Staffing the organization

It all starts with putting together a talented management team with the right mix of experiences, skills, and abilities to get things done (Thompson, Peteraf, Gamble & Strickland III, 2016, p.288). However, staffing the organization with capable management is not enough. The organization must recognize that all employees are active participants in the strategy execution process. The quality of employees is an essential ingredient of successful strategy execution. TCI does not appear to make a point of recruiting and retaining talented employees. For example, according to TCI's College catalog (p.216), a position appears to be open for the position of Dean,

Division of Engineering and Facilities Technologies. However, researching TCI's website, www.higheredjobs.com, www.monster.com, www.simplyhired.com, and www.indeed.com, does not mention such a position. Not sure if the position has been fulfilled or not yet. Though, I found on TCI's website two positions open for Faculty – Security Services Management.

We have two (2) part-time openings for an instructor in our Security Services management program for the Summer Semester and one (1) full-time opening for the Fall. TCI's Security Services Management program prepares students for careers in law enforcement and in public and private security. One part of the curriculum focuses on the legal concepts and practices relating to criminal law and criminal investigation. Another part covers the development and implementation of security systems for public and private areas and facilities.

Students are taught by instructors who have real-world experience in law enforcement and security services. Currently, the Associate in Applied Science (A.A.S.) degree is offered in a two-year program. Qualifications and Education Requirement:

- At least a master's degree in a related field (Doctorate preferred).
- At least five years of direct experience in law enforcement, private/public security, or cyber-security
- Teaching experience, including online. This is preferred, though not required
- Have a deep commitment to student success

Responsibilities:

- Teaching 2 or 3 classes in the area of Security Services Management
- Preparing syllabi and lessons
- Effectively delivering quality instruction in each class
- Attending all meetings relevant to the instructor's job

Any other relevant administrative duties, as required" (Jobs at TCI, 2015).

Changes that may help the company improve its hiring practices

TCI must first start by crafting a thorough future-oriented job description. A thorough job description can help establish a foundation for the job listing. In crafting the job description, TCI should think ahead. A new employee needs to be part of the long-term corporate strategy. The job description should include the title, to whom the employee report, a summary of the position and bullet-pointed specific job duties, and the minimum education and experience requirements (Lagorio-Chafkin, 2015, p.1).

In order to attract top candidates in their field, TCI needs to offer a competitive salary. However, employee benefits are also an important part to consider. Benefits such as health insurance, retirement plans (401K), paid vacation, sick days, personal days, holidays paid, tuition reimbursement, and professional development/training. TCI must not ignore the power of benefits to affect a great candidate's decision to join the company. TCI should adopt best hiring practices to ensure success by staffing the organization with a talented and energetic workforce. Best established practices:

1. TCI Spending considerable effort on screening and evaluating job applicants— selecting only those with suitable skill sets, energy, initiative, judgment, aptitude for learning, and personality traits that mesh well with the company's work environment and culture.
2. Providing employees with training programs that continue throughout their careers.
3. Offering promising employees challenging, interesting, and skill-stretching assignments.
4. Rotating people through jobs that span functional and geographic boundaries. Providing people with opportunities to gain experience in a variety of international settings is increasingly considered an essential part of career development in multinational companies.
5. Making the work environment stimulating and engaging so that employees will consider the company a great place to work.
6. Encouraging employees to challenge existing ways of doing things, to be creative and innovative in proposing better ways of operating, and to push their ideas for new products or businesses. Progressive companies work hard at creating an environment in which employees are made to feel that their views and suggestions count.
7. Striving to retain talented, high-performing employees via promotions, salary increases, performance bonuses, stock options, equity ownership, benefits packages including health insurance and retirement packages, and other perks, such as flexible work hours and onsite daycare.
8. Coaching average performers to improve their skills and capabilities while weeding out underperformers." (Thompson, Peteraf, Gamble & Strickland III, 2016, p.295-296).

Company structure

The design of the firm’s organizational structure is a critical aspect of the strategy execution process. The organizational structure is defined as “the formal and informal arrangement of tasks, responsibilities, lines of authority and communication by which the firm is administered” (Thompson, Peteraf, Gamble, & Strickland III, 2016, p.364). The organizational structure is considered a key factor in strategy implementation since it exerts a strong influence on how well managers can coordinate and control complex sets of activities involved. Furthermore, strategy execution is greatly aided by a supportive structure that is well aligned with the various parts (e.g., decision-making rights, communication patterns) and matched with the requirements of the strategy (Thompson, Peteraf, Gamble, & Strickland III, 2016, p.304).

Functional structure

TCI College follows a functional structure. “A functional structure is organized into functional departments, with departmental managers who report to the CEO and small corporate staff. Functional structures are also called departmental structures and unitary structures of U-forms” (Thompson, Peteraf, Gamble, & Strickland III, 2016, p.305).

TCI hierarchy: Dr. John McGrath (Chief Executive Officer (CEO) and President). Reporting directly to the CEO are Clotilde Dillon (Provost, Vice President for Academic Affairs), Thomas Bickart (Chief Financial Officer (CFO)), Felix Pretto (Executive Vice President (VP) for Administration), Susanna Kung (VP for Research and Planning), Michael Gall (Executive VP for Enrollment Management), and Lisa Green (Executive Assistant). Reporting directly to Provost, VP for Academic Affairs are the Deans, Directors, and the Executive Assistant to Provost. Reporting to CFO is the Assistant Controller. Reporting to Executive VP for Enrollment Management are VP for Student Financial Services, Registrar, and Career Services departments.

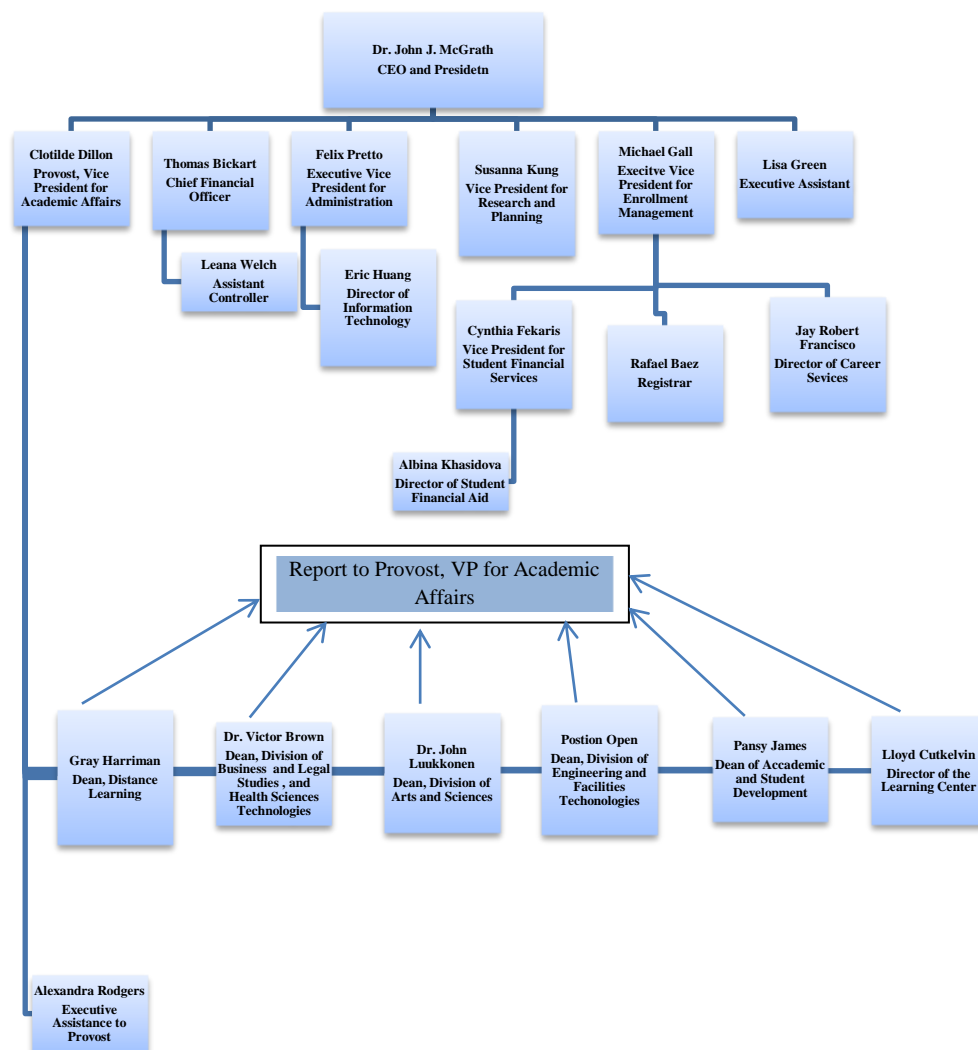


Figure 3: (College Catalog, 2015, P. 215-235)

Advantages of functional structure

For TCI, there are definite advantages to grouping all staff by function. For example, the staff is managed by a person with experience in the same specialty who can adequately understand and review their work. Furthermore, staffers have the opportunity to move up within their functional areas, which gives a reason for them to stay long-term. The organization gets the advantage of employee expertise and company knowledge over time. (Woods, 2015).

Best practices

Higher education institutions are exposed to competition for sustainability in the long run, such as graduation rates, less employability, and accountability of college education for the public good. The quality of education is important to the students, parents, and the organizations where the students are getting employment. Results are expected, and an intense amount of pressure is on institutions of higher education to deliver quality education. To find success, institutions of higher education must demonstrate that college/university can offer what others cannot.

In order for TCI to improve and to change the organization's culture, Six Sigma should be implemented. Six Sigma is a process that brings additional benefits and helps institutions to adopt best practices for service delivery through a quality process that ensures its success (Ramasubramanian, 2012, August, p. 1). Six Sigma is a business improvement methodology that can help TCI focus on the following:

1. Understanding and managing student's requirements.
2. Aligning key business processes to achieve those requirements.
3. Utilizing rigorous data analysis to minimize variation in those processes.
4. Driving rapid and sustainable improvement to educational processes" (Ramasubramanian, 2012, August, p.2).

Six Sigma has five phases, define, measure, analyze, improve, and control (DMAIC). The purpose of using benchmarking best practices such as Six Sigma is to improve the performance of strategy-critical activities and thereby enhance strategy execution (Thompson, Peteraf, Gamble, & Strickland III, 2016, p.328). Six Sigma offers TCI the opportunity to examine the efficacy of all processes and a way to improve them.

TCI managers and its Leadership can take the following steps to realize the full value of Six Sigma initiatives to promote a culture of operating excellence:

1. The Leadership and managers must demonstrate unequivocal and unyielding commitment to total quality and continuous improvement, including specifying measurable objectives for increasing quality and making continual progress.
2. Nudging people toward quality-supportive behaviors by:
 - a. Spending considerable time screening job applicants and hiring only those with attitudes and aptitudes that are right for quality-based performance.
 - b. Ensuring that employees are receiving quality training.
 - c. Using teams and team-building exercises to reinforce and nurture individual effort.
 - d. Recognizing and rewarding individual and team efforts to improve quality regularly and systematically.
 - e. stressing prevention, not correction.
3. Empowering employees so that authority for delivering great service or improving products is in the hands of the doers rather than the overseers-improving quality has to be seen as part of everyone's job.
4. Using online systems to provide all relevant parties with the latest best practices.
5. Emphasizing that performance can and must be improved" (Thompson, Peteraf, Gamble, & Strickland III, 2016, p.327).

Information systems

Company strategies cannot be implemented or executed well without a number of support systems to carry on business operations. TCI leaders and their managers need real-time information to aid the cause of good strategy execution. The strategic role of information systems within TCI is to develop capabilities that give the company advantages over the competitive forces it faces. In addition to that, the role of information and operating systems is to enable company personnel to carry out their strategic roles proficiently (Thompson, Peteraf, Gamble, & Strickland III, 2016, p.328). It is extremely difficult to measure how well the strategy execution is proceeding without accurate and timely information about the daily operations.

Information systems used to better execute strategy

One of the strategies in the strategic plan goals of TCI is to increase student retention and graduation rates. Information systems aid in retaining students all the way through graduation. For instance, an information system helps keep track of students who are performing below standards and immediately raises a red flag. The system then alerts the appropriate personnel (retention department), allowing TCI to immediately take remedial measures so as to retain the student and, as a result, retain the profit and help the student complete the program and graduate. In addition, information systems store, update, and even analyze information, which TCI can then use to pinpoint solutions to current or future problems. Information systems help TCI streamline the flow of information across the campus. The system, in turn, allows managers in each department to manage information such as student records, financial aid, student financial information, human resources, payroll, statistics, and communication (emails), and even reduce the cost of supplies. Furthermore, information systems enable students, faculty, and staff to access critical resources such as courses, class schedules, rosters, advising information, and so on much quicker. It also facilitates students to register for class much faster and check their grades all by themselves, freeing time for the staff to focus on other duties.

TCI compensation package for top three executives

Compensation Packages	John McGrath CEO	Thomas Bickart CFO	Felix Pretto VP for Administration
Salary + bonus	\$\$\$	\$\$\$	\$\$\$
Health Insurance	80% paid by the company and 20% by employee	80% paid by the company and 20% by employee	80% paid by the company and 20% by employee
401K	No matching from employer	No matching from employer	No matching from employer
Life Insurance	100% paid by the company	100% paid by the company	100% paid by the company
Vacation	20 paid days per year	20 paid days per year	20 paid days per year
Personal Days	4 personal paid days per year	4 personal paid days per year	4 personal paid days per year
Sick Days	10 paid sick days per year (use them or lose them)	10 paid sick days per year (use them or lose them)	10 paid sick days per year (use them or lose them)
Tuition Reimbursement	Up to \$7,325 per year	Up to \$7,325 per year	Up to \$7,325 per year
Professional Development	100% paid by the company (at company discretion)	100% paid by the company (at company discretion)	100% paid by the company (at company discretion)
Holidays	10 paid holidays per year	10 paid holidays per year	10 paid holidays per year

Table 2

Source: (Bickart, 2015, June 16)

Employee rewards and incentives

A motivated workforce can be a significant factor in TCI's successful implementation of its strategy. When the employees are motivated to work, the company accomplishes higher levels of productivity, and the organization as a whole runs more efficiently and is more effective at reaching its goals (Hartzell, 2015). To better execute strategy, it is essential that TCI personnel be enthusiastically committed to executing strategy and achieving performance targets. Though enlisting such commitment typically requires the use of an assortment of motivational techniques and rewards (Thompson, Peteraf, Gamble, & Strickland III, 2016, p.330).

The key to creating a reward system for employees is to make measures of good business performance and good strategy execution the dominating basis for designing incentives, evaluating individual and group efforts, and handing out rewards (Thompson, Peteraf, Gamble, & Strickland III, 2016, p.337). A good reward system aims to motivate employees to work harder and align their goals with those of the organization they work for. The reward system should support the organization's goals. At the strategic level, the reward system must be consistent with the strategy of the company (Ryan, 2015). Furthermore, for an incentive compensation system to be effective, "(1) the performance payoff should be a major percentage of the compensation package, (2) the use of incentives should extend to all managers and workers, (3) the system should be administered with objectivity and fairness, (4) each individual's performance targets should involve outcomes the person can personally affect, (5) rewards should promptly follow the achievement of performance targets, and (6) rewards should be given for results and not just effort" (Thompson, Peteraf, Gamble, & Strickland III, 2016, p.337).

Compensation packages summary

Reviewing TCI's top three executive compensation packages reveals that, although it is a comprehensive package does not have a reward system to motivate them to achieve higher productivity. The compressive package does not even has a matching for the 401k plan. The 80/20 health plan is competitive, and life insurance is a nice perk. Time off seems to be the main priority of the Leadership. Top executives received 20 vacation days plus 4 personal days, plus 10 sick days, and 10 holidays per year. That is a total of 44 paid days per year, about two months. With the tuition reimbursement and 100% paid professional development, the company is sending a

message that it is committed to an ongoing program of continuing professional education for its employees. However, not having a reward system makes the package less attractive.

RECOMMENDATIONS TO CEO AND BOARD OF DIRECTORS

The Leadership of the organization has crafted a winning strategy and has established a path of success for the entity. It has set goals and objectives that are specific, measurable, attainable, and realistic. For example, accomplishing the performance target of achieving the required U.S. Department of Education composite score of 1.5.

TCI College has an adequate mission statement. It does compare well with the main competitors' (BMCC and ASA College) mission statements. However, as part of the overall strategy, TCI should consider revising its mission statement so as to make it more customer-centric. TCI has created strong core values that send a clear message of academic excellence, accountability, credibility and integrity, and social responsibility. These core values, together with the Leadership of the organization, should set TCI on a path of success and growth.

TCI College has two close rivals (ASA College and BMCC). Out of these two, TCI holds a competitive advantage over ASA College but a pretty marginal competitive disadvantage versus BMCC in resources available and in tuition cost. The area that TCI holds a competitive advantage over both rivals is the added extra customer services available for the students. TCI must continue its pursuit of the baccalaureate program and distance learning. The baccalaureate program and distance learning will give the ability to TCI to realize the economics of scale. TCI's strategy should continue to be broad differentiation as it is clear that TCI has a competitive advantage in added services available to students, such as job placement. However, TCI should consider reducing its operating cost through economies of scale and passing these cost savings to the students in the form of lowering tuition costs to address the competitive disadvantage.

TCI and its Leadership have gone into offensive mode. The organization is currently in the process of entering new markets to be able to grab market share from its rivals by adopting the best ideas of others (baccalaureate degree) and continuously finding ways to improve its products by gaining the ability to offer distance learning education. However, TCI is at the mercy of the macro-environment as most of the organization's strategy relies on a decision to be made by the accrediting agencies. TCI is not presently equipped to compete at the international level, and as a result, global strategies are not an option. However, should TCI decide to go global, building alliances in foreign countries should be the first step.

In line with the concept of diversification, TCI has not pursued such a strategy. Instead, the organization has chosen to grow through the economics of scale. For the company to seek diversification, it must accomplish a "Synergy: the value of the combined firm after acquisition should be greater than the value of the two firms prior to acquisition" Chapter 15 - The Value of Synergy - (NYU Stern, 2015 p.1). By not diversifying the company, TCI has achieved the benefit of building favorable credit that has helped the business strengthen its value chain activities. For the future, the organization should consider diversifying the business through new venture development that can help the business grow and spread risk. By diversifying into a related business type, the company can achieve economies of scope while creating shareholder value.

Recommendations Five competitive forces

TCI has to do everything in its power to gain approval from the accrediting agencies to become a 4-year college and a distance learning player to seek growth. TCI should continue to do on an ongoing basis a review of its curriculum to ensure they continue to offer the best curriculum to differentiate itself from the competition. In addition, TCI must continue to try to differentiate itself from the competition by providing superior customer service as well as a superior curriculum. It must continue to select the most qualified personnel available to serve its students. It must seek to secure its current location for at least another ten years, as the location is very important to TCI's bottom line.

SWOT analysis recommendations

TCI has over 100 years of a positive history of quality education; it has an excellent location and dedicated, highly qualified personnel. Based on those strengths, TCI should embrace its opportunities for growth by becoming a 4-year institution and, at the same time, enter the distance learning market. TCI is a technological college; therefore, economies of scale can be achieved with distance learning. At the same time, TCI should work hard on eliminating or reducing threats. Management should be looking to secure a lease deal that keeps them in their current location for at least ten years. In the event that is not possible, it should be constantly evaluating other locations and, if possible, secure another equally centrally located location. The college must continue to meet all standards of accreditors and regulators and exceed them where it can be accomplished. Negative publicity should be countered with positive advertising of facts such as student graduating rates and successful alumni. Some of the threats are outside of TCI control, such as ownership and terrorist attacks. As a propriety school, TCI can be sold at any time by its parent corporation.

Recommendation for value chain

TCI should continue to invest in services available to students to keep their competitive advantage in customer service. For instance, provide the best available tutors for each major to ensure students' success, retention, and persistence. Students who persist and graduate are assets to the college and be of great value as they free advertisement by word of mouth the great services provided by the college. The organization should aim at reducing tuition costs where they hold a competitive disadvantage.

Recommendation competitive strategy

The organization must continue to effectively manage the value chain to create the differentiating attributes that set TCI apart from rivals in ways that buyers consider valuable and worth paying for it. Having a 91 percent job placement rate allows TCI to command a premium price for its services. However, careful exercise with this strategy must be applied as it could be easily copied by rivals. Management should be looking into ways how to reduce tuition costs for the students. That is where TCI has a competitive disadvantage. Management should consider the economic scales by moving some classes online. Also, TCI can achieve economies of scale by making some of the traditional courses hybrid. That way, it could use the same classroom for two different courses during the semester. Cost reduction can be achieved by outsourcing email services to Google or Microsoft. Maintenance service is another option that could be outsourced. Also, look into working out an agreement with book publishers for e-books to reduce costs to students. Realizing structure costs savings can help TCI lower its tuition to gain some market share from its main competitor ASA College.

Recommendations for complementary strategic options

As an institution of higher learning, TCI's reputation and name recognition are essential features to remain competitive among rivals. An important factor that relates directly to reputation and recognition is the type of accreditation the entity holds. As a result, TCI has to create as many strategic alliances as possible with accrediting agencies. A strategic alliance is defined as a "formal agreement between two or more separate companies in which they agree to work cooperatively toward some common objective." (Thompson, Peteraf, Gamble & Strickland III, 2016, p.165) In the case of TCI, the common goal of high standards and quality education. There are many program-specialized accreditations available for institutions in the industry of higher learning education. To strengthen even more its position in the market, TCI should seek to acquire specialized accreditation for specific programs. TCI is accredited as an institution in the Middle States and by the New York State Board of Regents (TCI College Catalog, 2015, p.14). In addition to that, "the Electronics Engineering Technology (EET) program is accredited by the Engineering Technology Accreditation Commission of the Accreditation Board for Engineering and Technology (ETAC of ABET), the Ophthalmic Dispensing (OPT) program is accredited by the Commission on Opticianry Accreditation, and a provisional accreditation for the Facilities Management Technology Program has been granted by the International Facilities Management Association (IFMA)." (TCI College Catalog, 2015, p.14) TCI also has a fifth accreditation for the Learning Center. "The tutoring facility and its professional tutors are accredited by the College Reading and Learning Association (CRLA)." (TCI College Catalog, 2015, p.14) What seems to be missing is an accreditation for the business program. TCI should immediately seek to accredit its business program with the Accreditation Council for Business Schools and Programs (ACBSP). Having the business program accredited will assure students that the institution adheres to high-quality standards. It also facilitates articulation agreements with other institutions. Institutional accrediting agencies also like to see specialized program accreditations. Especially at a time when TCI is seeking accreditation for distance learning. It will be very hard to compete with other institutions if TCI does not acquire the most prestigious accreditations. To help level the playing field, TCI will have to have equal or higher accreditations than those possessed by rivals. Otherwise, TCI will be at a competitive disadvantage. For distance learning, TCI should seek to accredit it with the Distance Education Accrediting Commission (DEAC). However, DEAC only accredits distance learning programs that have been in existence for at least two years. (Business School Accreditation, 2015) The process should be started as soon as distance learning approval is received.

Recommendations for the execution of strategy

TCI's management is key for seeing that the strategy is executed successfully. Managers must have the right mix of experiences, skills, and abilities to get things done. But, superior managers are not enough. The quality of all employees is essential for successful strategy execution. Therefore, TCI should improve its recruiting practices of employees by adopting best hiring practices to ensure the organization is staffed with talented and capable employees that can carry out the successful implementation of the chosen strategy. TCI's functional structure works perfectly for this type of organization. Advantages are gains through the experience of its employees that help the organization carry its strategy with knowledgeable employees that help ensure the company's success.

Recommendations for ethics

TCI should immediately start working on a written ethics and environmental sustainability statement that reflects the company's philosophy, intentions, and objectives regarding the environment and ethics. These statements should be made available to all stakeholders of the organization. On the positive side, TCI is giving back to the community with its Dare to Dream and Dare to Repair programs, and that is commendable.

Recommendations hiring practices

TCI should start by crafting a thorough future-oriented job description. Furthermore, it should spend considerable effort on screening and evaluating job applicants, making sure the company provides employee training, offer employees challenging assignments, provide employees with opportunities to gain experience, makes the work environment stimulating, and encourages employees to be creative.

Recommendation organization structure

TCI should continue to utilize the current organization structure (functional structure) as that is the best option. A functional structure has many advantages that cannot be ignored. Advantages such as greater task specialization, which promotes learning, enables the realization of the scale of economies and offers productivity advantages not otherwise available (Thompson, Peteraf, Gamble, & Strickland III, 2016, p.305).

Recommendation best practices

TCI should adopt the best practices by implementing Six Sigma. TCI can improve the chances of attracting students by improving the level of services. Six Sigma may be used to improve the performance of all institutional operations from student graduation to recruitment, including all the processes (Ramasubramanian, 2012, August, p.1).

Recommendation compensation package for executives

Every company needs a strategic reward system for its employees, and TCI is no exception. TCI should consider implementing a reward system that addresses recognition and even appreciation for its employees. Company strategies cannot be implemented or executed well without the company personnel being enthusiastically committed to executing strategy successfully and achieving performance targets.

CONCLUSION

TCI has been an institution of higher learning education for over 100 years that has been very successful. The current Leadership of the organization is laying a foundation of success for another 100 years based on the crafted winning strategy. The company is meeting performance targets such as the composite score that confirms success and financial health. TCI must continue to differentiate itself from the competition by continuing to provide superior customer services (main core competency). As part of the strategy, TCI leadership is seeking growth by seeking approval for baccalaureate degrees as well as distance learning. In the coming years, TCI should be entering new territory as the baccalaureate degrees for different programs are approved and entering new markets with distance learning. The Leadership must continue to focus on core competencies as well as continue to provide quality services and quality education. At the same time, TCI must be aware of all the market forces in the macro-environment that affect the industry. To continue on its path of success, TCI must continue to work on solutions to the recommendations previously stated to ensure the strategy is successfully executed. It helps that TCI and the Leadership have created an atmosphere of high standards with core values such as academic excellence, credibility, integrity, teamwork, and accountability, among others.

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