

ROUND 1 STANDARD CASE INTERVIEW: REACH FOR THE STARS

35 minutes

Note: Throughout, interviewer voice-over is in blue font, *sample answers are in red italics*, and comments to the interviewer are in regular font.

Instructions

This case is based on a recent Bridgespan project with Reach for the Stars. Before asking you questions about the case, I'll give you some background information. Some details (e.g., geographies, numbers, and methodology) have been altered to simplify this case interview, and they do not reflect the true data and analysis used in this project.

Feel free to ask clarifying questions as we go through the case – we're going to cover a lot of ground in the next 30 minutes, so we'll move quickly, and I may change topics.

What I'm looking for is how you think about the problem, and how you structure your answers, not simply your ability to do the math in this case.

Since we're on the phone, it will be critical for you to walk me through your logic and calculations, so that I can follow along with you to make sure you are on the right path. Don't be afraid to pause before responding to a question to gather your thoughts.

1. Lay out facts and ask key issues (3 minutes)

You have been assigned to work on a project for Reach for the Stars, a national initiative focused on improving student success at community colleges. Reach for the Stars has two main offerings: 1) it provides technical assistance to community colleges directly (e.g., coaching of staff/faculty, data collection, sharing best practices) and 2) it advocates for policy changes at state and national levels with the goal of changing priorities, rules, and regulations to make it easier for community colleges to implement practices that improve outcomes. Reach for the Stars also places special focus on students of color and low-income students.

Reach for the Stars gets financial support from a major education-focused foundation. The organization has grown to serve over 100 community colleges in 22 states across the US. There is growing demand from community colleges who have contacted Reach for the Stars.

Bridgespan has been engaged to help the leadership determine how Reach for the Stars should grow in the future. What are the key high-level questions Reach for the Stars is likely considering in relation to future growth? I don't want your full approach here – let's just take a couple minutes to brainstorm 3-4 of the most important questions Bridgespan would have to address over the course of the project.

Sample answers to key questions:

Are they having an impact (i.e., they are considering opportunities for growth but do they already have proof of outcomes)?

Where to grow? Are current areas the right ones to be focused in?

How fast should they grow? In what mode?

When to grow? In what order?

How much will it cost? How will they fund it?

Do they have the needed capabilities and capacity to tackle growth?

2. Ask for structure (7 min):

We will be focusing this case mostly on the growth question facing Reach for the Stars. Given its decision to grow, what are the different ways Reach for the Stars could grow?

Sample answers to growth options:

Potential options could include:

- *Improve or expand types of services offered to currently served community colleges*
- *Serve new community colleges in existing states*
- *Build presence in new states by serving new community colleges*

Excellent answer might:

- *Give examples of types of services that could evolve (e.g., increasing policy and advocacy activities, developing a group of community leaders to lead charge for more CC resources) and draws distinction about what it takes to expand TA services vs. advocacy work*
- *Talk about different dimensions of growth (e.g., at CC level vs. student level)*
 - *Increasing number of schools served could include directly serving new locations, licensing or partnering with other organizations in new locations*
 - *Increasing number of student served could include serving bigger schools or different populations (e.g., students transitioning out of CCs)*

What are the factors Reach for the Stars might consider in choosing among different types of growth?

Sample answers to consideration factors:

Demand for growth/need for services

- *Number of students in target population that will be reached*
- *"Competitor" landscape – are there others already meeting needs of CCs*

Potential for impact

- *Success / effectiveness of Reach for the Stars' model, either in specific geographies or expanding "at scale"*
- *Extent to which programmatic model is already codified / standardized*
- *Alignment with intended impact/goals*
 - *Focus on specific beneficiaries – e.g., presence and demonstrated need of low-income students and students of color*
- *Ability to create synergies across direct service and advocacy activities*

Cost of programmatic model and expansion

- *Difference in total cost between new vs. existing states; difference in calculated cost per student across options*

Funding potential

- *Difference between new vs. existing states (e.g., new vs. existing funders)*
- *Access to potential sources of funds (e.g., foundation, govt., corporate)*
- *Saturation of funding market*
- *Ability to use state policy work to generate greater state funding*
- *Funder interest in a particular region*

Current capacity and capabilities

- *Staff capacity / availability in new community colleges / states*
- *Ability to form partnerships*

Management capacity

Policy context (local, state, federal)

Fit with existing network (e.g., footprint and goals of current states and CCs)

3. Explore key issues (5 min)

Based on a discussion with Reach for the Stars' leadership team, they have decided that they are most interested in growth via two potential options:

Expanding to new schools in existing states

Expanding to new states (and, therefore, new schools in those states)

Let's dig deeper into understanding the costs of these options. What are the different types of costs Reach for the Stars should consider and what do you think are the key drivers of these costs?

Sample answers:

Start-up costs (e.g., one-time investment required to start operations in a new state)

- *Due diligence on that state, to explore potential in greater depth before making decision*
- *Facilities*
- *IT infrastructure*

Ongoing fixed costs

- *Staff*
 - *Policy and advocacy staff in each state*
 - *Staff providing "headquarter"/"overhead" support for community colleges*
- *Facilities and infrastructure maintenance*
- *Other overhead*

Ongoing variable costs

- *By # of community college*
 - *Staff providing direct community college support*
 - *Transportation*
 - *Facilities on-site at community college*
- *By # of students served*

Excellent answer may:

- *Note that some costs may be semi-variable (e.g., staff members providing direct community support may be able to support up to "x" number of community colleges)*
- *Note potential difference between costs for expanding to new schools in existing states versus new states*

4. Test with numbers: (15 min) - Note candidates should *not* be using a calculator here.

A new funder is considering granting Reach for the Stars \$24 million annually to support its growth. Reach for the Stars would like to use this grant to reach new students either through working with more community colleges in an existing state like New York or with new community colleges in a new state like Tennessee. We have some data to help you assess how Reach for the Stars might use this grant.

Start-up costs

Assume for purposes of this exercise, Reach for the Stars will have no start-up costs for new community colleges – only ongoing fixed and variable costs.

Fixed costs

For the purpose of this case, we will assume that fixed costs in the state of New York would not increase due to already existing infrastructure

Fixed costs of operations in new state, Tennessee, would total \$12M per year

Variable costs

Variable costs of Reach for the Stars exist at two levels – there is an incremental cost per additional community college served as well as a variable cost per student attending the community college

- For large community colleges, there is an incremental cost of \$100K per school per year and the variable cost per student is \$100 per year
- For small community colleges, there is an incremental cost of \$50K per school per year and the variable cost per student is \$300 per year

In New York state, Reach for the Stars is already working with all of the larger community colleges

Given that Tennessee would be a new state for Reach for the Stars, the organization would plan on working with only larger community colleges if it were to start there. How would you go about estimating how many additional students Reach for the Stars could serve annually in New York versus in Tennessee with this grant?

Interviewee should recognize that they need to first calculate the cost per community college in order to get to total number of students reached since there is both a per college and per student variable cost. In order to do this, they also need to know the number of students that attend large versus small community colleges. Note: Give them a chance to start thinking through how to solve this but if they are stuck, give them the information below (if they make an estimate, you might want to refine to make it easier to track math):

We will assume large community colleges have ~5,000 students each
We will assume small community colleges have ~2,500 students each

Calculation of number of CCs served per year by grant in existing state, New York:

$\$24M / [(\$50,000 * X \text{ community colleges}) + (\$300 \text{ per student} * 2,500 \text{ students per community college}) * X \text{ community colleges}] \rightarrow X = 30 \text{ CCs per year}$

Students served per year in New York: $30 \text{ CCs} * 2,500 \text{ students/CC} = 75K \text{ students}$

Calculation of number of CCs served per year by grant in new state, Tennessee:

$(\$24M - \$12M) / [(\$100,000 * Y \text{ community colleges}) + (\$100 \text{ per student} * 5,000 \text{ students per community college}) * Y \text{ community colleges}] \rightarrow Y = 20 \text{ CCs per year}$

Students served per year in Tennessee: $20 \text{ CCs} * 5,000 \text{ students/CC} = 100K \text{ students}$

5. Make it practical (5 min):

What is your conclusion? What other reasons would make you recommend growth in New York versus Tennessee to Reach for the Stars?

Sample answers:

Tennessee

- High potential for impact; number of students reached is greater in Tennessee
- Desire for change at national level may encourage addition of new state to network / greater visibility
- Current model and existing expertise may align better with serving larger community colleges
- Might be easier to attract new funding sources in a new state

New York

- Desire for focusing on change in existing "key" state
- Current model and existing expertise may align better with serving smaller community colleges
- NY likely has a more influential role nationally, with people looking to the state as an example

Excellent answer will also...

- Test for realism
 - Notes that the above is a theoretical calculation of target CCs but RFS would want to test whether there are indeed this many CCs with this number of students in actuality
 - Considers actual need of community colleges in each state and interest in getting RFS support; the fact that CCs exist may not mean they need/want RFS
 - [Expect this reality check more from Consultant candidates]
- Consider more nuanced impact in terms of students reached
 - Which state has more students of color and low-income students, given RFS focus?

- *Bring in additional considerations (e.g., may push further on policy: Which state has presence of more / stronger political figures (e.g., Congressional committee chairs)?*
- *Consider preferences of leadership / board*
- *Considers funding source potential*

6. Extra question, if time permits

As I mentioned earlier, Reach for the Stars has a special focus on low-income students and students of color. What data would you need and how would you obtain it to figure out where the need might be greatest for Reach for the Stars' services?

Sample answers:

Collect available census data on number of low-income or minority students

Conduct expert interviews

- *Anecdotes and suggestions on areas of greatest need*

Analyze data from national educational statistic databases (e.g., NCES)

- *Demographic information*

- *Financial aid information*

Access other community college-oriented resources and organizations

Excellent answer also notes that you might want data on outcomes (e.g., retention and graduation rates) of low-income students and students of color by state and at each potential CC partner to better understand need

As a reminder, since we may use this case with other candidates, please destroy any notes you took during the interview, and do not discuss the case with others.

For candidates who want more information about what happened:

As mentioned at the start, this case is based on Bridgespan's actual case with a community college-focused national initiative. The leadership of the initiative, which was composed of eight different partner organizations, ultimately decided Reach for the Stars should spin-off and become its own 501(c)3 organization as well as continue to grow, accepting 20-30 new community colleges annually (mixture of new community colleges in existing states versus new states). Bridgespan has continued to be involved in the strategic planning of this new organization as well as supporting the search to fill its new leadership roles.