

STRATFORD UNIVERSITY



ANNUAL BENEFIT
CORPORATION REPORT

CALENDAR YEAR 2016

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Letter from the CEO

Dear Friends,

The Benefit Corporation is one of the most important movements of our lifetime. At the heart of the movement is the simple fact that business impacts and serves more than shareholders, or even its employees and customers. Business has an equal responsibility to the community and to the planet.

For Stratford University, a private company, becoming a Benefit Corporation ensured that we could codify into our corporate charter the values we hold dear. This includes our ongoing funding of the Stratford University Foundation, our 501(c)(3) organization, to bring education to the inner cities through the faith community.

Our master idea is that *Education Heals the World*. Every decision we make throughout the year is guided by this thought. Education gives hope to the hopeless, careers to the unemployed, purpose to the distraught, happiness to the downtrodden. Education impacts everyone in both developing and developed countries. It is the thread that ties our past to our future. It is the only way to eradicate violence, war, and poverty from this beautiful planet.

Our mission is to *Empower the Human Spirit, one community, one student at a time*. We instill a growth mindset in our students, one which will empower them to take chances, learn from failure, and quickly adapt. We seek to eliminate internal barriers, the only real barriers to success. We teach the way students learn to give them confidence and to make them lifelong learners. We teach what employers want to ensure that our students achieve career success.

Moreover, as we face the challenges of global climate change, disruption of our financial markets, pressures on water and food supply and the unbridled consumption threatening our planet, *it* becomes ever more clear that a community of companies must now emerge to stem the tide of ecological disaster and share and evolve a new vision of responsible business.

Stratford University has been a 40-year experiment in what it means to be an effective and responsible educational institution. We made a choice long ago to be transparent about our imperfect journey and to share through storytelling what we learn.

We go to work each day to *Change Lives...One Student at a Time*. Our staff and faculty implement policy and make every decision in a way that benefits our students, employers, and community.

We are happiest when we teach and inspire students. That is our mission and our passion.

Sincerely,



Richard Shurtz
CEO

Introduction

Stratford University Inc. is a post-secondary education institution that offers associates, bachelors, and master's degrees in job-centric curriculums. The University operates seven campuses and an online division that offers a class schedule that is tailored to working adults and underserved populations to provide higher education accessibility to all.

Stratford University became a Benefit Corporation in the Commonwealth of Virginia on June 30, 2015. A benefit corporation is a legal entity that enables a socially and environmentally committed company to write those values into its bylaws and articles of incorporation. All seven campuses and the online division of Stratford University share the same common values, operate in a similar manner, and have all adopted the same specific benefit purposes.

Specific Benefit purposes in our Bylaws

In 2015, in preparation for the conversion to a benefit corporation, Stratford University developed specific public benefit purposes to reflect the University's values and mission. These public benefit purposes were adopted by the board of directors and shareholders and written into the organizations articles of incorporation and bylaws. These public benefit purposes may not be changed or removed without unanimous shareholder approval. As a result, they govern each campuses actions at the most fundamental level. The specific benefit purposes as they appear in the bylaws are as follows:

1) To create and deliver quality, educational programs that meet the needs of employers in high demand professions.

Every day, students at Stratford are learning skills demanded by the evolving job market. The existing programs are established in fields which continually demonstrate employability and afford students the opportunity to earn a living through exciting careers with upward mobility versus dead-end jobs. New programs are conceptualized, developed, and fulfilled through the teamwork of the Stratford system. Cooperative input from the governing board, advisory boards, faculty, and graduates helps to craft relevant curricula. Faculty committed to learning and who demonstrate excellent teaching skills deliver educational content and provide a quality learning experience for students. Clear expectations are communicated through rubrics which also provide concise, useful feedback for students.

2) To prepare students to communicate effectively, think clearly, and act ethically to solve problems in diverse environments.

Stratford includes in its programs experiences which expose students to technical, professional, and critical thinking. Culinary classes work in conjunction with one another to deliver fine dining services to the public and University administration regularly. The savory kitchen courses create noteworthy dishes finished with stunning dessert courses from the baking and pastry students. The front-of-house is staffed by hospitality students to complete the real-world simulation. Many Stratford programs require the students complete an externship which affords students the opportunities to experience their chosen career in the real world while still under periodic supervision of a faculty member. The recent addition of the SimMan 3G Manikin to the health sciences and nursing schools augments infinite possibilities in the way of recreating real-life scenarios. The SimMan can be programmed to simulate authentic scenarios that teach students to respond in teams to medical conditions as they would in the real world. Students who combine stimulation with external on-the-job skill development regularly are deemed as more employment ready. Putting students in these real-world environments helps them shift their perspective to being a part of team which results in improved communication, big picture thinking, and acting with the team's best interest at heart. This prepares them to communicate effectively, think clearly, and act ethically when they enter the work force in their chosen field.

3) To inspire and guide students as they master the competencies required for career success and life-long learning.

Life-long learning is the synergy derived from the learning experience of the applied debate. The actual process of responding to the case study is not important as the process as the critical thinking one goes through to get to the conclusion. Stratford provides the time and environment for students to discuss, debate, and reflect on the application experience to understand the essence of what is being taught and how it can be applied in future, unpredictable situations. In this process, students are given a little information, but not all the information, and guided to discover the rest. In order to do this successfully, students must have the confidence and authority to think for themselves to problem solve, overcome mistakes, and have the drive to succeed. Interdisciplinary learning assists students in using lessons from the learning experience and the confidence to conquer complicated or unknown situations. Employees who have the knowledge, skill, and confidence to master the unknown are invaluable to employers. Stratford is teaching its student to be these invaluable employees.

Stratford degrees allow students to matriculate from associate's to bachelor's to master's. The programs are prerequisites to additional certifications and degrees. This permits students to become an expert in their field giving them upward mobility opportunities and to be lifelong learners.

4) To be a safe haven where all races, religions, and cultures can communicate and work together for the common good.

Stratford is dedicated to being a safe and nurturing environment; to be the best place for its students to learn and grow. The Stratford family includes staff, faculty, and students from thirty-six countries and a host of cultures. A multi-cultural environment is positive for the learning and working environment. Anyone associated with Stratford has access to a Quiet Room which can be used for prayer, meditation, or reflection. Use of the Quiet Room is encouraged to relieve stress, for mindfulness, and to center or calm one's thoughts. The Mindful Leadership course was developed to support self-exploration and create thoughtful leaders. The course helps to develop soft skills necessary to effectively navigate the world through topics of emotional intelligence and creativity. One of the company values is "laughter in the workplace". Laughter is unifying and uplifting.

5) To meet social and economic needs of the community by empowering its citizens to become contributing members of the workforce.

Stratford's added value proposition creates educated individuals, equipped with communication skills, clear thinking, and ethical behavior who are life-long learners and sensitive to the individuals around them. This better enables individuals to contribute to the social and economic needs of the community. The career services team begins to work with students early in their educational journey at Stratford to develop a relationship with students and hone student interview skills, resume writing, and career goals. The career services department partners with employers to the benefit of the student and also has career fairs to facilitate students aspiration to identify gainful employment. In addition to the economic benefit of gainful employment, the student becomes self-actualized to enhance their social contribution to society. Employment affords students the opportunity to be members of the workforce and have the financial stability to be consumers as well. By the time students have finished their program, a relationship with the career services team is well established and the student has the tools necessary to be a sought after competitive candidate for employment.

6) To make higher education available to underserved geographic and demographic groups.

The content and quality of education are only part of the equation: access to education by those who need it is a critical piece. Stratford feels strongly that it has obligations to improve the communities in which its campuses are located. The student body consists mainly of working adults who need flexible schedule to manage around their busy life's responsibilities. Stratford offers services to students to assist with the accessibility of education and employment. The student services team helps students overcome transportation, child care, and housing obstacles through one-on-one advising. Stratford campuses are intentionally located in places where mass transit is available. In cases where public transportation accessibility could be better, Stratford works with the transit authorities to add or shift bus stops or Stratford provides private shuttles to ensure access. The student accounts team assists overcoming financial difficulty when paying for school. Stratford offers a number of financial assistance programs for students to utilize. Students who do not have access to professional dress clothes suitable for interviews can use clothes from the "career closet" which are donated by members of the staff.

Stratford University opened and funded (\$250,000.00) a 501(c)(3) foundation to serve the underserved population in Baltimore. The purpose of this foundation is to help students who do not have college entrance capabilities. This is not intended to prepare students to enter Stratford University specifically. This program was created to close the gap created in the K-12 education system and prepare those students to identify gainful employment through finding jobs or further education. The foundation is designed to engage churches in Baltimore to sponsor Accelerated Learning Centers and to be housed in the community centers. Students would attend class five days a week like a job and receive a small stipend.

The weekly stipend check would be delivered by the mentor, so that each student will feel obligated to the community to succeed. Stratford University (with the help of the community) will locate and train teachers as coaches for each Accelerated Learning Center. Instructors will be drawn from the ranks of retired educators, from the churches, or from Teach America. This program can easily scale as more churches are added. Stratford believes Baltimore must be healed from within. This program seeks to do that by the availability of a strong network of churches that already exists in the city.

Stratford University B Impact Assessment Score

The B Impact Assessment is a third party assessment which scores companies environmental, social, community and governance performance on a 200-point scale (bonus points can theoretically result in a higher score). Stratford uses the third party assessments accumulation of company scores as a benchmark.

The assessment calculates the B Impact Assessment for Ordinary Business's (OB's) which have no explicit social or environmental intent related to their business. Although OBs may exhibit some impact practices such as recycling or offering health insurance, these companies do not view their business as a vehicle to tackle social and environmental challenges.

Stratford University B Impact Assessment Score

	Stratford University	(38) Ordinary Businesses
Overall Rating	60.6	51.5
Governance	20.4	6.0
Workers	15.6	19.0
Community	21.0	16.6
Environment	3.6	8.9

* For ordinary Businesses Total B Impact Scores will not equal the sum of the sub-scores since each reflects a median score.