



THE NAPA REVIEW

Balancing Mission and Market in Higher Education in the 21st Century

Princeton's decision not to raise tuition for the first time in four decades is an in-your-face example of the growing winner-take-all positioning in higher education. Colleges and universities like Princeton with top-of-mind prestige and mega-endowments inevitably win bright faculty and talented students. They can afford to dip into their billion-dollar-plus endowments to do something radical, such as holding the line on tuition, thus making decisions that will impact the rest of the higher education marketplace.

Trying to catch up with institutions like Princeton is not a realistic solution for most colleges and universities. While 40 years of tuition hikes at Princeton are symptomatic of the heyday experienced throughout higher education, today powerful forces for change are converging. They are forcing every institution to step back and make strategic decisions about a successful future within the context of the 21st century.

The static from the U.S. Secretary of Education, through blue ribbon commissions and policy experts, all the way to parents and students confirms that unprecedented changes are ahead. Here's why:

- Tuition at four-year private colleges rose 71 percent between 1993 and 2003 and continues to grow at a somewhat lesser pace, threatening in the next decade to put costs out of reach for half the students who want to attend college.

- Between now and 2015, minority enrollments, which grew by 51 percent in the decade ending in 2003, will far outpace the rate of increase among traditional white student populations.

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- As Baby-Boomers retire, institutions will face a glut of job openings and experience significant shortages of those prepared to assume leadership positions.

- Globalization, for-profit colleges and the growth of online courses are accelerating examination of curricular content and how to offer it.

While it's tempting to focus on the crisis du jour, there is no better moment than now for colleges and universities to engage in building a roadmap for the future through comprehensive strategic planning. Taking a page from Jim Collins' *Built to*

Last companies, institutions that intend to survive in this highly competitive future must redesign their organizations and create the environment that will allow them to do what they do best – educate the next generation of students. Strategic planning, successfully conducted, will balance mission and market, energize leadership at all levels, re-engage key constituencies internally and

externally and instill an openness to continuous improvement through integrated planning and budgeting.

Planning Vs. Strategic Planning

Academic institutions have always engaged in plenty of planning. This activity typically focuses on enhancing what is already in place. Even when called strategic planning, such projects are often not resourced appropriately once the plans and buy-in are developed. Comprehensive strategic planning takes more commitment and more work: the opening premise is that

an institution may need to actually rethink and reengineer the enterprise to attain its mission for the future. Imagine the dynamic synergy (let alone relief) of everyone operating from one institutional playbook:

- Leadership aligned around a holistic view
- Faculty, staff and administrators developing solutions together
- Revenue streams that are integrated
- Desired outcomes resourced with people, budgets and implementation plans
- Value and prestige resulting from a quality product marketed effectively through coordinated communications



Market-savvy colleges and universities that align with their environments, understand their distinctive external “value proposition” and internal culture and build the right structures and processes to fulfill these will have a much better chance of longevity in the 21st century.

Integrated and Inclusive

We often view strategic planning as something that only administrators do. But if we are to effectively reshape our institutions for the 21st century, both the administrative and academic sides of the house must be fully involved. There are several critical points along the continuum. For example:

■ As they build the infrastructure at the front end, presidents and senior administrators will want to clearly demonstrate an understanding of the educational core mission. They may also need to put some initial stakes in the ground that aren’t fully inclusive. However, they should quickly leverage collaboration with the academic community to develop and implement institutional strategic plans as well as communicate and sell the vision and context to the rest of the institution.

■ Without financial viability, institutions and their strategic plans are conducting exercises in futility. Financial health means developing market-

savvy enrollment strategies and management and integrated financial planning that embrace all revenue streams, including fundraising. Quality academic programs on their own can bring high value, but strategic planning assures that they will fully benefit from infrastructure changes and new fiscal thinking at the front end.

■ Faculty also must be confident that academic programs drive institutional budget planning and resources. Faculty can contribute by setting priorities for schools and programs according to academic priorities and realistic funding sources. That may seem a no-brainer, but in many institutions faculty and administrators are moving along separate planning paths, only to collide at the end.

■ Strategic planning also pays attention to faculty productivity and student learning outcomes through assessment tools. Positive results serve to affirm the value of the education the institution is delivering.

A New Planning Paradigm

The focus of strategic planning will vary with each institution, but the endpoint for all is the same: institutions that stay at the head of the class will not continue to do business as usual. Value-centric and mission-centric strategic planning that also respects and responds to market forces is possible. As policy expert William G. Tierney of the University of South California advocates in *Building the Responsive Campus* (1999), a high performance organization “is like any exceptional piece of art.” The piece in its entirety, rather than a series of single components “is what makes it remarkable.”

Comprehensive strategic planning that is resourced appropriately facilitates the ability to re-envision institutional structures, re-imagine academic programs and regain control over the variables of price and access. The formula for the future is relatively simple – a clear-eyed strategy, measurable and constantly refined. However, that’s only the first step, as it’s all in the implementation.

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