Preparing for the next decade – Transforming SLU
Innovation & Transformation
Realities

• Lots of buzz
• Little real innovative that is scalable

• Crisis = Some change, but push continues back to the mean/average
Self-Inflicted Wounds

• Operating procedures and policies which no longer align to the market place and prevent revenue growth and prosperity.
• Continue to operate in silos often due to size and structure
• Leadership transitions
• Lack accountability for profit margin
• Mission is blamed for reasons why we can’t versus why we can
• Risk taken that have failed result in blame and shame
Culture of Innovation

REINVENTION
Requires rapid improvement of competitive position while retaining strengths of the business model

ASPIRATION
Offers an opportunity to focus on early changes by anticipating future trends

CRISIS
Presents an urgent need to transform the business model, stabilize finances, and re-establish competitive position

TURNAROUND
Requires changing elements of the business model to become financially stable
Innovative requires

- Innovation is a process requiring stakeholders who recognize the need for change.
- Technological developments are integrated into activities not the solution for revenue growth.
- Ideas for innovation should be welcome from anywhere within an institution.
- Innovation requires patience, experimentation, risk tolerance, pilots, revisions, and respect and acceptance of failures.
- Real innovation will stimulate opposition.
- Existing practices need to be altered or discontinued to make room for new ideas.
- Rather than imitating innovation strategies deployed at other institutions, universities should develop strategies that leverage what is unique in their organizations and the surrounding community, build on their strengths, and address their particular needs and aspirations.
Top Jobs of the Future

- Drone Applications
- Augmented Virtual Reality
- 3D Print Design
- Health Care
- Information Technology
- Alternative Energy
- Content Creation
- Robotics
- Cyber Security
- Computer Game Design
- Biometrics

Business Insider, 2015
## Entering new markets

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<td>Requires Innovation</td>
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- **Existing Products (Campus Based)**
- **New Products (Campus & Digital)**

Very difficult to sustain long term prosperity
Workforce Development

- Badges
- Credentials
  - Nano-Credentials/Degree
- Certificates
- Credits
  - College
  - PLA
  - Pre-College
- Degrees
Gig Economy
Trends and Challenges

GROWTH TRENDS

• Net-Tuition / Affordability
• Transfer students
• Adult degree completion
• Hispanic market
• Job skills based programs
• Certifications / Credentials
• Digital delivery of academic content
• Coaching and mentoring
• Service and speed
• Fewer prepared students

CHALLENGES

• Deflationary pricing and net price erosion
• Demographics and alternative delivery methods will reduce market demand for campus based delivery
• The big will get very big and take market share from small and mid-sized institutions
• Innovation requires funding
• Speed to implement
• Continued cost cutting without revenue growth consideration results in a long slow path to irrelevancy
Rethinking the Change Paradigm

Most Institutions...

- Form a committee
- Have representation from all areas
- Select a popular person to lead the committee
- Lengthy report generated
- Outcomes are recommendations
- Leadership team waits for recommendation

More Institutions Should...

- Bias towards action
- Use key implementation members who will be accountable
- Led by or co-led by a cabinet/leadership member
- Define specific outcomes, resources, resource needs, and timelines
At your tables

1. What is a question for me?
2. How trends are affecting them at the local level -- department, college, unit, division
3. Which of the trends are most relevant to SLU - in a positive and negative way
4. Are there trends not mentioned that you have noticed that affect you or SLU generally?
5. What data do we need to localize the effects of these trends?
Focus on Prosperity

Situational assessment for your own institution (Diagnostics)
- Which includes the financial quantification
- Collaboration and consensus on the diagnostic assessment

Macro trends shaping higher education (Exploration)
- Alignment of mission and strengths
- Creativity and innovation will be required, along with institutional resolve
- Developing growth building blocks

Develop tactical execution plans (Implementation)
- Key assumptions, internal obstacles, leadership accountability, required measurement metrics, financial modeling, risks, investments, milestones, and timelines
Quantifying Financial Challenges

- **Cash Flow Gaps**
- **Operational Gaps**
- **Infrastructure Gaps**

Quantify the situational assessment of your institution.

Gain consensus among key constituents.
Example

- An institution with a $600 million budget identified a $90 million gap in financial and operational needs:
  
  Financial: $30 million
  Operational: $60 million

- Required real revenue growth. No amount of cost cutting would allow for a long-term sustainable business model.

- Institution determined it required an additional $250 million of revenue growth over a five to seven year period.
Q & A
AGB Institutional Strategies

• AGB Institutional Strategies helps institutions focus on prosperity in a time of uncertainty

• Higher education is our only business

• A proven, collaborative approach that includes:
  • Discovery
  • Exploration
  • Implementation
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