Title	10 Challenges 4 Solutions 1 Shared Set of Values
Author(s)	Cannon, SJ
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10 Challenges
4 Solutions
1 Shared set of values

Steve Cannon
Secretary to the University
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- Challenge 1   Over budget and underfunded
  – As funding declines, cost management is the key

"As funding dries up, some universities are heading into debt for the first time. This is constraining dollars for classroom delivery and research, creating tension among different departments for scarce financial resources and jeopardizing faculty pay and staff increases. Institutions must figure out how to leverage their limited resources to attract the best students, researchers and staff."

Brian McKenna, Partner, Deloitte Canada

- Challenge 2   The rivalry intensifies
  - Competition to attract the best students heats up

  "To avoid brand erosion, higher education institutions must get very clear on their strengths and weaknesses. They need to assess if they play on a global, regional, national or local stage. They need to decide if they plan to specialise in specific degrees or student segments. Rather than offering a bit of everything, organisations must identify the key areas of expertise that can best support future growth"

  Laic Jouenne, Partner, Deloitte France

- Challenge 3   Setting priorities
  - The danger of making decisions in the dark

"The economic environment can no longer support a culture where everyone asks for their unique wants and the administration strives to provide that. Although cultural change can be painful and slow, institutions must get better at aligning their programmes with their strategic priorities"

Mark Price, Principal, Deloitte United States

- # Challenge 4   Moving at the speed of cyberspace
  - Technology upgrades are needed across the board

"Today's students have very high expectations of the technology experience. Higher educations institutions that cannot meet these standards by supporting online enrolment, enabling online fee payment or empowering interaction with professors through social media risk loosing students"

Troy Kay, Senior Manager, Deloitte Canada

- Challenge 5   Rethinking infrastructure
  - A renewed focus on asset optimisation

"In the wake of the global financial crisis, higher education institutions must explore new ways to reduce their infrastructure costs. This involves more than addressing their deferred maintenance fees or converting properties to multiple uses. It requires a wholesale assessment of how they can use their assets more effectively"

Rod Barrass, Manager, Deloitte Canada

- Challenge 6   Linking programs to outcomes
  - Where training and market demand intersect

"Despite the merits of a world-class liberal arts education, there is a danger in supporting a curriculum that is too theoretical. Today's fast paced world needs construction crews, hospital workers and people to build cell phone towers. Institutions must respond to these realities by ensuring their educational agendas are in sync with forecast marketplace demand."

Arsh Maini, Senior Consultant, Deloitte India

- Challenge 7   The best and the brightest
  - Attracting and retaining talented faculty

"Educational institutions need to act immediately and with urgency to implement focused talent management strategies to recruit and retain the best in an increasing competitive environment"

Michael Jabour, Director, Deloitte Australia

- Challenge 8   A sustainable future
  - Enhancing environmental performance

    "Higher education institutions work with a population that is environmentally aware and active. To meet the needs of these stakeholders, schools must be able to demonstrate and account for their environmental performance. They also need to enhance their environment- related programmes to provide students with the educational credentials they need to drive this agenda in the community at large"

    Michael Pentland, Associate Partner, Deloitte Canada

- Challenge 9   Education for all
  - Tackling, diversity, accessibility and affordability

  " As schools work to cut costs out of their operating structures, they must still make the investments required to meet student demand. that includes devising strategies for attracting atypical students who will likely consist true the growth groups of the future"

  Peter Present, Executive Lead, Deloitte South Africa

- Challenge 10   Regulations and reporting
  - New responsibilities require better disclosure

"Higher education institutions face greater regulatory responsibilities than in the past. In addition to improving financial accountability, they must act as corporate partents to exchange students, report on enrolment statistics and enhance transparency across the board. How many institutions have the information management systems necessary to track and report on all these data"

Julie Mercer, Associate Partner, Deloitte UK

- Four Solutions
  - Revenue growth
  - Operating margins
  - Asset efficiency
  - Expectations and strength

- **Solution 1   Funding and revenue growth**
  - Incorporate an operational element into strategic planning to ensure a focus on the highest priority issues
  - Streamline the governance process to empower stakeholders to quickly make informed budgetary and research allocation decisions
  - Clearly define roles, responsibilities and accountabilities
  - Improve information tracking to better measure and report on program outcomes

- Explore innovative public-private partnership opportunities
- Enhance institutional brands in an effort to attract additional private investment
- Leverage social media and other online forms of ongoing communication to establish and maintain relationships with students, parents and alumni
- Improve tracking of research income
- Consider globalisation strategies.

- **Solution 2   Reduce operating margins**
  - Implement and/or leverage technologies designed to streamline core business processes, such as student services, research, finance, administration, human resources and procurement
  - Engage in more sophisticated planning and forecasting
  - Pinpoint opportunities to share services and outsource non-core functions
  - Eliminate program redundancies and inefficient processes.

- **Solution 3   Improve asset efficiency**
  - Engage in talent management strategies to attract and retain the highest calibre faculty
  - Streamline procurement and sourcing to optimize the supply chain
  - Review regional delivery models to eliminate program duplication and pursue consolidation where it makes sense

- Extend access to their programs through initiatives like distance learning and online education
- Identify and target optimal student populations
- Engage in sustainability initiatives to improve energy utilization, reduce waste and identify ancillary opportunities to cut costs and improve performance
- Rationalize IT and real estate portfolios.

- **Solution 4   Manage expectations and strengths**
  - Improve information management and data analytics to identify areas of competitive differentiation
  - Solicit opinions from outside the education sector
  - Leverage technological innovation to better engage students and improve services
  - Revisit existing strategies and processes with an eye towards identifying areas for improvement
  - Benchmark against competitive institutions
  - Share best practices.

- **One shared set of values**

  - A respect for academic success

  - World-class excellence is the only acceptable benchmark

  - Mutually supportive formal and informal relationships at all levels between departments, schools and the centre

  - An acceptance that academic initiatives cannot be programmed and that decision-making in such matters will be untidy

– A belief that decisions are best made openly and if possibly quickly and that the smaller a university's 'turning cycle', or the quickest its response time the more effective it will be in its external relationships

– A respect for good financial management, both as a means of facilitating academic initiative and as a means of ensuring accountability throughout the institution

- A conviction that really good ideas will always attract funding from somewhere

- A belief that attack is the best form of defense and that optimism, some risk taking and a willingness to attempt new things represents a better policy than caution cut backs and academic conservatism

"To succeed into the future, higher education institutions must take a good, hard look at their organising principles. They must assess how well their academic and non-academic functions work together, the calibre of the student experience, their ability to attract the best students and faculty and the strength of their systems and processes. Ultimately the victors will be those who can support their decision making with the strongest business case"

Christina Dorfhuber, Principal, Deloitte United States