How colleges should rethink their strategic planning processes (essay)

Submitted by Susan Resneck Pierce on January 31, 2017 - 3:00am

Today a great many American colleges and universities -- ranging from those that, at least for now, seem reasonably secure to those that are hanging on by just a slight financial thread -- are faced with a series of threats. Some institutions are involved in thoughtful, data-informed and effective planning, but others are not directly confronting such challenges and are failing to engage in such planning.

The institutions that ignore their challenges offer important cautionary tales. Those who find ways to address them by planning strategically can be useful models.

The threats are pervasive. Many colleges and universities are grappling with cascading declines in enrollment and escalating tuition discounts, resulting in decreased net tuition revenue. Public institutions are also suffering from diminished state support, and structural deficits are becoming more and more commonplace.

For example, Moody's reports in its annual *Tuition Discounting Study* that at nearly half of all private non-profit college and universities it surveys, undergraduate enrollments declined every year between 2011 and 2014. The decline continued between 2014-15, with 37.5 percent of all colleges reporting decreased enrollment. The situation appears even more dire for the current academic year: As an *Inside Higher Ed* survey of admissions directors [1] reported, of those surveyed only 41 percent of private colleges and 29 percent of public colleges were meeting enrollment goals.

Moreover, even as many colleges have been successful in their efforts to enroll increasing numbers of students from low-income backgrounds, they find themselves struggling to afford the additional financial aid required to do so and the added support services some of these students need if they are to succeed. These new claims on the operating budget devour resources that, in past years, would have gone to faculty and staff salaries, renovation and new construction, technology and equipment, and to new initiatives.

Such circumstances are negatively impacting the financial health and sometimes even the viability of many colleges and universities. These financial stresses in turn lead many campuses to experience a clash between their commitment to excellence as they have historically defined it and their quest for financial sustainability. Or to put it another way, many colleges and universities are struggling to afford the kind of educational program they wish to offer. And so when educational decisions need to be made for financial reasons, campuses often experience tensions between the faculty, on the one hand, and the administration and the board, on the other hand. This is especially true when institutions need to make tough decisions or are engaged in strategic planning.
I commonly hear from administrators that they and their boards need to be able to make timely, sometimes immediate and often difficult decisions but that doing so conflicts with a faculty culture that assumes that all decisions require elaborate consultation, that strategic planning processes be consensual, and that all plans be ultimately approved by the faculty. In my experience, even as most presidents and boards believe that consultation and collaboration are necessary and that faculty approval is needed for academic initiatives, they also argue that planning needs to be ongoing and immediate and that *institutional* strategic planning is the responsibility of the board of trustees, upon the recommendation of the president.

Meanwhile, many faculty members, administrators and trustees oppose change because they are rightfully proud of their institution’s mission and its long-standing programs -- even when that mission and those programs no longer attract the desired and often necessary number of students. Others resist change because they believe that everything will be fine if they just keep on doing what they have always done. They believe that their institution should, and therefore will, be immune to demographic shifts and changing student interests.

In my work with colleges and universities across the country, I hear the following refrains:

- “My institution has been successful for more than 100 years. We will be here for another 100 years.”
- “The value that we offer is so great that we are immune to disruption.”
- “The liberal arts have always been at risk; this is no different.”
- “The problem is not changing demographics, student interests or cost but simply that our admissions staff is not bringing us the students we used to attract.”

As optimistic as such notions are, they are often unrealistic and based on intuition rather than evidence. They also ignore the lessons to be learned from many other organizations -- newspapers, magazines, encyclopedias, travel agencies, taxi cab companies and the U.S. Postal Service, among others -- that mistakenly believed that their value was so great that they were immune to disruption.

**Myths that Serve as Obstacles**

For institutions to be successful in today’s environment, they must move beyond some of the damaging myths held by many people on campuses. Those myths include:

**Excellent marketing and admissions efforts are a panacea.** David Strauss, principal of the Art & Science Group, reports that "the array of studies we've done for various types and levels of individual colleges and universities over the years, using highly rigorous techniques, indicates that the trend in prospective undergraduates’ preferences tends toward metropolitan (vs. rural) institutions, toward larger (vs. smaller), and toward pragmatic/professional fields (and away from many traditional liberal arts fields).” And the best marketing in the world combined with an excellent admissions operation will not persuade students with these clear preferences to enroll in small, rural or liberal arts colleges.

**All strategic planning processes are of equal value.** Sadly, many planning processes fail because those involved have been encouraged to “Blue Sky It” without grounding their planning in a clearly-articulated vision for the future and without tethering it to in-depth, cost-benefit analyses and a realistic financial plan -- or sometimes simply any financial plan at all. Or to put it another way, it is a recipe for disaster when those involved in planning are asked to imagine a rosy future without regard to available resources: human, financial and facilities. It is also dangerous to rely on overly ambitious fundraising goals to fund new initiatives.

Planning processes also fail when they are designed to try to accommodate all constituencies rather than to seek to identify a small number of strategic institutional imperatives or priorities. This
approach generally results in an unwieldy wish list that does not produce an institutional road map for the future from which sound financial choices and fundraising goals derive.

Many institutions also continue to create five-10 year static plans even though change is happening much more quickly and requires more nimble choices and actions.

**Our institution will thrive because it is so different from others.** Far too many campuses persist in believing in the myth that they are unique or in some significant ways better than their competitors – and then they make their choices accordingly. For example, I often hear from faculty and staff members that they provide students on their campus a level of personal attention that occurs nowhere else in the country. But although giving students individual attention is important and something institutions want to promote, it is not unique -- and therefore not a differentiator.

Many colleges today also claim that they are unique in their focus on such matters as social justice, civic engagement, globalism, sustainability, experiential learning, diversity and inclusion, research in collaboration with a faculty member, internships and, increasingly, mentorships and career preparation. Again, each of those emphases is worthy, but once again, they are neither distinctive nor differentiating.

On the other hand, many institutions that do focus on these notions have done so in ways that resonate with the students they wish to enroll by leading those students to understand and value the nature of the educational experience they are being offered.

**Successful Models**

The colleges and universities described below, despite their varied missions, have addressed their challenges effectively. Each of these institutions also have a set of common characteristics that made a difference for them:

- Each was inspired by a presidential vision, developed in consultation with the campus and approved by the board.
- Institutional planning was informed by data
- Planning was simultaneously aspirational and feasible, ultimately mediating between the real and the ideal.

They each have also pursued new approaches, such as:

**Making core characteristics manifest in the education of all students.** Agnes Scott College has seen record enrollments over the past two years, after redesigning its curriculum and co-curriculum based on extensive market research. Its new Summit program has positioned the college as one “for women who want to become leaders in an increasingly global society.” All “Scotties” will have a four-person board of advisers, including a career mentor. They will also have a common orientation and a required “leadership lab,” will study a foreign language, and will create a digital portfolio. In addition, all first-year students will have an eight-day cultural immersion, most abroad, led by a faculty member tied to a course, and all students will have a second more extensive global experience.

**Diversifying to attract new student populations.** Kettering University, formerly the General Motors Institute, is taking advantage of 600 corporate partners and more than 1,000 alumni who are or have been CEO's in this country and around the world. After an extended visioning and planning process informed by market research, the university launched the Kettering Global Initiative, which offers online, on-campus and hybrid continuing education courses to those partners and others. Kettering has also been integrating the humanities, social sciences and the creative arts into its STEM and management programs by creating a new College of Sciences and Liberal Arts --
expanding its interdisciplinary offerings and developing new majors and minors in new areas of applied science.

**Focusing on innovation.** *US News & World Report* has named Lynn University one of the country’s most innovative universities. Taking advantage of a new wireless infrastructure that it created through successful fundraising for one of the 2012 presidential debates, Lynn has placed all course materials for its Great Books Core Curriculum on iPads that it provides its 600 freshmen. By replacing conventional textbooks with faculty-produced e-books, Lynn reports that it has saved students 90 percent of the cost of textbooks. The university also has a highly personalized approach to admissions, tailoring each potential student’s campus visit with a separate visit for their families.

Both initiatives have brought the university welcome publicity and increased enrollment. More recently, Lynn has been experimenting to good effect with three-year accelerated degrees program.

**Rethinking the institutional mission.** In January 2014, low enrollments at Iowa Wesleyan University led to draconian steps. Despite its 173-year history as a liberal arts college, the institution announced that it would abolish half of its 32 majors in such areas as philosophy of religion, history, general studies/liberal arts, sociology and pre-law and shrink the faculty from 52 to 22 and the staff from 78 to 55. The university now concentrates on business, education and nursing, seeking to enroll older students.

This mission shift and many layoffs were unquestionably painful. Yet Iowa Wesleyan recently announced that its “incoming class enrollment has jumped 150 percent in just two years,” that “student retention has grown 35 percent over the last three years,” and that its “international student population has drastically increased.

**Recommendations for the Future**

When it comes to strategic planning, these examples suggest some lessons for other institutions:

- There is no magic bullet or single approach that fits all institutions. What works at one institution many not work even for competitors that have similar if not identical missions. To be successful in planning, an institution must creatively build on and sometimes even modify its history, culture, values and mission.
- Data must inform all planning. Assuming that people on the campus intuitively know what will attract potential students, for instance, can be dangerous since programs that resonate with one applicant pool may discourage another.
- Rather than pursuing what is often an elusive notion of uniqueness, those involved in planning must recognize that the most selective liberal-arts colleges in this country often offer similar programs and services. The public flagship universities are also quite similar to one another, as are the top private research universities. What matters to the current and prospective students is that the institution they choose actually provides what it promises and that what it provides is compelling.
- If what a campus does resonates with its particular pool of prospective students, the institution should both emphasize those aspects of the education it offers and also provide evidence of excellence. In some cases, as with Agnes Scott and Lynn, it makes sense to embed what the institution values in the experience of all students. In other cases, such as Kettering, it may be most effective to build on that common experience by offering a diversity of new programs that are consistent with mission.
- As part of making data-informed decisions, colleges and universities must understand their competition. Mission statements should not all sound alike. (And many do.) Moreover, if an institution does claim to be distinct in some way, that claim must be legitimate.
- If the campus is offering programs that no longer appeal to the students it seeks, it should consider changing what it does -- but again based on evidence and taking its mission into...
account, not guessing.

- An institution should think in terms of a three-year horizon and develop an evolving set of at most four to six strategic imperatives -- rather than crafting a static plan for a much longer horizon that will sit on the proverbial shelf.
- The institution should focus its planning process on how best to educate students rather than what will best serve any particular constituency.
- The institution should be wary of seeking new revenue streams that run counter to its mission or may not be financially sustainable.
- The planning process should be a model of shared governance. From the outset, the president must be clear who is responsible for which aspects of the process -- who is involved, who serves in an advisory role and who makes the ultimate decisions.

Ultimately, institutions cannot predicate their planning on the hope that, in time, external realities will change, and they will once again regain their previous stability. Nor can they deny external realities and their own circumstances. In short, they must understand that hope and denial are not strategies.

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