

Future Proofing

Your College

By

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It's a Sign of the Times:

All across North America, in national, state, and provincial legislatures, we hear similar statements coming from the mouths of decision-makers. Statements such as, "We see post-secondary education as a part of the solution to the diversification of our economy and improvement in the quality of life, but before asking the taxpayers for additional taxes we must ensure accountability and efficiency in the post-secondary system. We need to identify and eliminate duplication of programs and services." When not hearing such refrains, you may be hearing legislators state, "Everything is on the table, however we don't want to drive up the cost of post-secondary education," or, "It's time for results-based reviews and budgeting, which will be based upon outcomes."

In President Obama's February, 2013, State of the Union address he called for an innovative higher education system, which he envisioned as more job-focused, affordable, connected, and delivering improved performance and measurable results. His blueprint is said to include massively open online course platforms (MOOC's), ultra low-cost educational providers, and experiential skills-focused programs in high need industries and, in brief, more internet-based education and training innovations.

The general public senses the higher education system may be broken and in need of major reform. Their tolerance, as taxpayers, for 'business as usual' is wearing thin, and they are adamant about receiving a 'better bang for their buck.' The days of growth in the sector without accountability, and tangible returns on the investment, appear to be on the wane. Extreme measures seem to be the order of the day, what with demands for the trimming of administration and the cutting of all programs and services that don't belong in a job-related education paradigm.

Phrases such as rationalization of institutions, programs and services, public sector wage freeze, build an entrepreneurial system, shared services, and tuition fee legislative reviews are all too common. Political leaders continue to demonstrate their consultative metal via economic summits, which yield a call for centers of excellence, increased accessibility, economic clusters, politically-based applied research and commercialization priorities. At the root of all, and in the midst of significant demographic change and ever-increasing health care costs, we find governments mired in debt producing one deficit budget after another and, consequently, unable to afford their public post-secondary systems, which have grown exponentially over the past fifty-sixty years.

Nevertheless, in the face of these aforementioned challenges, there is light at the end of the tunnel for Colleges, providing they're prepared to think and act differently. To be clear, the time to think

‘outside the box’ has past. What is needed, in many cases, are new boxes supported by a new attitude. By deploying the following ten, innovative strategic and operational practices, Colleges can begin the process of meeting these challenges and, in fact, catapult their institutions into a dynamic, innovative, competitive, and progressive position. In doing so, this suggested *Future Proofing* template underpins the creation of an investment-rich environment for Colleges in higher education sector in the 21st century.

Practice One: See the World through Young Eyes

Rory McIlroy, 23, the number one ranked player on the planet, won the Professional Golfers Association (PGA) title in August, ’12, by a record eight strokes at the Kiawah Island, South Carolina. At the tee-box of the seventy-second hole with a seven stroke lead, he was overheard saying to his caddie, “You watch, I’m going to win this thing by eight strokes.” With a birdie on his final hole his bold prediction became a stunning reality.

From a cultural change perspective, a College is well advised to ensure their performance norms are more McIlroy in the years ahead. Allow me to explain. Rory looks at the world through *young eyes*. His eyes reflect a positive mental attitude, which is supported by three important characteristics, (1) Curiosity, (2) Resilience, and (3) Optimism. To ensure sustainability we need to continuously be curious enough to ‘see around the corners’ – particularly, those corners not in the traditional vista of higher education. To become more entrepreneurial, we need to consistently put yesterday behind us, especially our failures, and press onward while adapting to the ever-changing situational realities we all face and will continue to face. And, to become more innovative, we need to constantly ‘see the glass half full’ and trust our good judgment, and the judgment of others, in using creativity (before money) in a productive and progressive manner for planning and implementation purposes.

Practice Two: Prioritize Marketing, Entrepreneurship, and Philanthropy

In a keynote address at our College’s Gala ’12, given by one of Canada’s best known entrepreneurs and innovative philanthropists, Brett Wilson; he chided post-secondary institutions for miserably failing to prepare young people as marketers, entrepreneurs, and philanthropists. As well, he took a verbal swing at all levels of government saying they weren’t doing their job particularly well either, as policy-makers, in paving the road ahead for tomorrow’s small to medium sized business people (SME’s), as they spent far too much time and resources attempting to micro-manage the various institutions and programs of their respective systems.

Specifically, his ‘fickle finger of fate,’ when pointed at Colleges, accused them of not adapting quickly and, particularly, with curriculum changes aimed at the clear and present needs of the next generation student. In essence, his speech pointed out that ‘nothing happens in this world until someone sells something to someone else,’ whether it be an idea, a service, or a tangible product. To do so properly, all students need marketing – i.e. a working knowledge of the positioning of the product, or service, or idea, the distribution channels required to move the idea, etc. towards a targeted market, the pricing considerations thereof, and how one is to induce its acceptance.

In regard to entrepreneurship, Wilson passionately made the argument that Colleges traditionally treat the training of innovation and entrepreneurship as a tertiary, or secondary at best, academic and

research initiative. Something off the side of someone's desk. Whereas, he advocated, in today's global economy, for the College to seize a leadership role in the building of SME capacity to drive employment and productivity, thus making the instruction and training of entrepreneurship a core developmental curriculum element.

Without knowledge of philanthropy, and its many societal benefits, socially, culturally, economically and environmentally, we run the risk of creating a tomorrow of 'takers.' Clearly, the breeding ground of arrogance, self-interest, and presumptuousness; all of which sets a society up for a significant decline in their standard of living. Colleges, like society itself, need to step up and play a significant role in ensuring societal balance, by providing learning opportunities, preferably experiential and in concert with community and business, for students to understand the true meaning of social and economic entrepreneurship and the contributions it makes to the non-profit sector.

From a bottom line perspective, the College that makes these aforementioned changes in earnest becomes more relevant immediately, attractive to the corporate and political sectors and, frankly puts themselves into a highly competitive position to face the identified challenges. Presently, this desired state is rarified air for most and, as a result, has very few competitors in the room, as the post-secondary majority continues to chase down the facsimile plus one dreams of yesterday.

Practice Three: Make Partnerships Essential

Simply stated, partnerships are good business when looking to *Future Proof* your College. In a time of declining resource allocation from conventional sources, such as government, what better way to stay progressive, become innovative, and cost effective, than to seek out partners, private, public, or both, who share your values and are prepared to sacrifice their silo mentality for the benefit of the partnership? Basic competition, or game theory, as brought to light by Nobel Prize winning John Nash. However, as the reader is likely aware, if it was an easy or convenient process many Colleges would be engaging in this practice in a big way constantly. Unfortunately, as you know, this is not the case.

Consider, for example, our small, rural College wishing to increase accessibility to learning opportunities via the opening of a campus in a major urban center, such as Calgary, Alberta. To properly position the opportunity, we'd need to have a store front operation, of no less than 10,000 sq. feet in the downtown core and on the light-rail traffic route. This urban retail space leases presently at roughly \$58 per square foot. I think you get the idea. It's cost prohibitive. However, suppose you had a partner, like Bow Valley College, who over the past six to seven years, was in a renovation and expansion mode in downtown Calgary. And, suppose you had a Ministry of Advanced Education who valued and promoted a more collaborative Campus Alberta approach to program delivery and service development. All of a sudden, finding 30,000 sq. feet of new space, complete with other post-secondary partners such as Athabasca University and the University of Lethbridge, along with the host, Bow Valley College and their shared services, becomes a reality.

Practice Four: Be Vigilant With Your Talent Management

During a recent search and selection competition for a new Vice President at our College, a senior consultant from the search firm we had employed, said, "Everyone is looking for the same type of person."

“What is that type?” I asked.

“A professional with loads of senior administrative experience, is doctoral-prepared, and in the so-called ‘sweet spot’ between the ages of 45 – 53 years,” the consultant replied and, was quick to add, “That’s why finding the right one is so difficult, because everyone is looking for the same thing.”

Well, rightly or wrongly, we don’t seem to have anyone within the ranks of our College’s three Vice Presidents that fits that profile. Yet, we are considered to be a progressive, investment-rich, and well-managed College. Odd, wouldn’t you say? Not really, if one were to consider how important it is today to seek out talent, often in places where others aren’t looking; talent that is intent on ‘building a résumé’ versus ‘maintaining’ one.

Quite frankly, given the situational realities, as outlined earlier, this President would argue that the ‘sweet spot’ today for seeking your senior administrative leaders, is likely 35-43 years. What do you get in return for this innovative approach? Normally, you would be blessed with high energy professionals, who are technologically savvy, enthusiastic, amicable, loyal, co-operative and, most important, coachable. In turn, they beget their likeness in the building of their respective teams, at the Dean, Director, and Managerial levels of the organization. One last thing. They’ll take risks and make mistakes, but seldom the same one a second time. And, by the way, making mistakes is an exceptionally good thing, which you’ll need to nurture in your organization, without penalty or fear of reprisal, if you have any desire for creativity and innovation becoming institutional norms.

Practice Number Five: Align With Government Agendas and Priorities

Let’s be clear. Governments don’t normally *create* technologies, applied research, academic programs and student services. Seldom do Governments *see* beyond their term and *dream* grand dreams. And, contrary to popular opinion, Governments don’t normally *manage* your organization. What do they do, you may ask? In short, their democratic role is to set agendas, consult with the electorate, establish priorities, allocate resources and, to be brutally honest, stay elected.

If you know this to be true, it would pay for a College to be mindful of the Government’s agenda and priorities, wouldn’t it? It would pay for a College to take the responsibility for understanding the mandate(s) of the Ministries responsible for higher education and training. And, it would pay to undertake this multi-faceted analysis on an ongoing basis and ensure you are speaking the Government’s language in all of your oral and written communication.

Wayne Gretzky, when asked how it is that with your physical statue, you always seem to be around or with the puck, said, “I tend to go where the puck is going to be, not necessarily where it is at the moment.” Likewise, not bad advice for Colleges in terms of their ongoing relationship with their major sponsor, the Government. The question becomes, ‘where will the Government’s priority be in the next quarter, next year, even next term?’ A College, who is aware and consistently aligns with Government priorities, well in advance of the competition, is usually in an advantageous position to interpret the rhetoric, design a response, and provide a solution to their emerging priorities, thus bringing their policy to life.

Practice Number Six: Relentlessly Review Your Organization

There is much to be learned by higher education from the Wall Street economist, Michael Lewis's, *Moneyball – The Art of Winning an Unfair Game* ('03). What fascinated Lewis was simply how could the Oakland A's baseball team compete, over a five year period, with the New York Yankees, given their unfavorable financial condition, and payroll which was less than a third of the Yankees. The answer – the team's analytical, evidence-based sabermetric approach to assembling a competitive unit, despite their disadvantaged revenue situation! Does the challenge sound vaguely familiar to some Colleges? Maybe, maybe not. Let's delve a little deeper into this issue.

In transforming their operation, the A's needed to deal with a central and long-standing, baseball practice (i.e. the collected wisdom of insiders over the past century being subjective, at best, and often times flawed). For example, statistics such as RBIs, stolen bases, and batting average, used to gauge talent, were relics of a 19th century worldview of the game. Could this story apply to higher education as well? For instance, how do College's plan? Budget? Allocate resources? Are many decisions made subjectively? Do you believe decision-making processes to be flawed?

Rigorous statistical analysis, by the A's, demonstrated that slugging percentage and on-base percentage were better indicators of offensive success, and consequently cheaper to obtain on the open market. Does higher education normally challenge yesterday's premises and deploy rigorous statistical analysis in their decision-making processes? And, if they did, would this approach fly in the face of conventional wisdom and the long-standing beliefs of what is important in higher education and training?

Over the past decade, our College experimented successfully with a similar approach to the A's. From six outcomes, key performance indicators and measures were developed, which guided the strategic and operational planning and, thus, the allocation of resources. Just as the A's discovered slugging percentage and on-base percentage to be better indicators of success, so too did our College discover the following five indicators of success: (1) Mutually Beneficial Partnerships, (2) Unreserved Net Asset-based Fiscal Management, (3) Advancement and Philanthropy, (4) Shared Leadership-based Governance, and (5) Alignment with Governmental Priorities. Without question, these indicators, or points of focus, paved the way over the past nine years for the accrual of 110 million dollars of alternative investment from both Government and the private sector. For a College of only 1300 students that is a phenomenal ratio of dollars to student.

Practice Number Seven: Become Fiscally Nimble

What with the ever-diminishing contribution of Government(s) towards a College's operational (and capital) grant, a substantive replacement strategy is essential. Otherwise, long-standing Government dependency will surely catch up with a College, likely sooner rather than later, and as evidenced in recent times by their consecutive deficits and mounting debt.

One strategy worthy of exploration is centered in a College's maximization of their land holdings. Traditionally, when considering an alternative use of their land, Colleges have become landlords, only, allowing private, or public, sector entities to rent their land at a nominal fee. In recent times, however, we are seeing examples of Colleges becoming much more business-like in their

approach to land development. In addition to rent-paying capacity, Colleges are looking toward taking an equity position in the development. Of course, this movement has caused Government and communities to sit up and take notice. For its part, Government is not normally equipped policy-wise to deal with Colleges becoming limited partners, working with a private-sector general partner, or establishing Trusts to deal with the distribution and accounting of revenues and expenses, whilst protecting the tax deductible status of the institution. Consequently, Colleges who venture down this road often times find themselves, as pioneers, assisting Government(s) in the development of the necessary 'go forward' policies.

Such is the case at our College, with the development of the Pomeroy Inn and Suites at Olds College. A four-star extended stay hotel, built on our Campus, complete with 85 rooms, and a 450 person conference center and restaurant. Also, it is the home to the College's brand new Canadian Brewmaster Program, which opens in September, 2013. As well, programing at the College has been integrated into development, including landscaping, fashion apparel, meats, vegetables and herbs, and an experiential hospitality, learning pathway beginning in the high school and continuing into the College, and onward.

Practice Number Eight: Steward through Shared Leadership

Governance is arguably the single most important element in *Future Proofing* your College. The practice of shared leadership at the governance level, and its corresponding improved effectiveness, is influenced to great extent by four factors, as evidenced in this writer's rural Alberta system-based doctoral studies thesis, *An Exploration of the Relationship Between the Practice of Shared Leadership and Board Effectiveness*. These factors include the President's governance-related knowledge and competency, the human capital composition, or mix, of the board, the governance-related education and training received by a board and, finally, the board's view of themselves as stewards and listeners to the College's voice.

The major conclusions of the study were as follows: (1) An understanding of shared leadership is foundational to effectiveness, (2) The practice of shared leadership affects competency development, (3) The College's performance reflects the practicing of shared leadership, (4) The President's (governance) competency and performance can positively affect the board's effectiveness, (5) The board's human capital composition can positively affect the board's effectiveness, (6) The board's governance-related education and training can positively affect the board's effectiveness, (7) The board's view of themselves as 'stewards' and listeners to the College's voice is fundamental to the understanding of governance responsibility, and (8) The community's commitment and capacity to learn reflects the College board's proficiency to practice Governance as Leadership.

Given the challenges, as outlined earlier, there appears to be a distinct need for the consideration of an innovative approach to generative governance. However, it is noted that such a change will require more dedication, discipline, and focus than is presently exhibited within conventional, operations-oriented College governance structures. If stewardship is to be central to practicing of governance, it then must be at the apex of any board development model.

Practice Number Nine: Think Big, Build Simple, Act Now

As noted by Ken Segall, in his book, *Insanely Simple – The Obsession That Drives Apple's Success* (2012), simplicity isn't just a design principle at Apple – it's a value that permeates every level of the organization. Thanks to Steve Job's uncompromising ways, we can see simplicity in everything Apple does: the way it is structured, the way it innovates, and the way it speaks to its customers.

As compared to Apple, think for a moment about your own College. Think about your planning and implementation processes. Do they generally begin with a 'big hairy audacious goal (BHAG)'? Once conceived, big or otherwise, is the first tendency to simplify it, or to commission it to a representative committee, who often proceeds to make it overly complex and reduce it to mediocrity by consensus?

Another question. Does your College have a culture which promotes a propensity to decide and act once a design materializes, or is the natural tendency to commission an expensive study, or three, to look at the concept every which way from center thereby pushing market entry further out?

As Tom Peters posited in his seminal work with R. Waterman, *In Search of Excellence*, the great corporations have a culture which is characterized by a way of doing business aptly described as, "Do it, Try it, and Fix it!" In short, get busy and adapt what you need to along the way.

Practice Number Ten: Connect Your Passion

Eight years ago, the College as one of four essential members of the local Institute of Community and Regional Development, embarked on an economic development initiative, with other concerned community leaders, called Fiber to the Premise. Today sees the community enjoying a 1000 megabyte connection to businesses and homes, including the College. No telecom. All profits go towards community economic development. With a pipe to the College this initiative provides a student, owning any number of electrical devices, such as a tablet, laptop, and/or phone, with the next generation capacity to connect. Add to this flipped classrooms, an ICT backbone to support this level of broadband, and a 'first-of-its kind' iPad partnership with Apple, and the ability to bring your strategic enrolment management plan to reality in a big way.

One last thing. With the technological support of Robots and Pencils, a world-class iPhone and iPad app developer, along with a firm commitment to becoming Canada's entrepreneurial College, we've embarked on the gamification of curriculum. This unique initiative is supported by a deep integration of the iPad technology into the hands of all faculty and students, and will see by September, 2013, the introduction of the brand new entrepreneurship app called the Lemonade Stand, a five level gamified mandatory course for all first year students. And, in partnership with Alberta Distance Education this game's introductory level is also available online to all Alberta high school students.

The evidence of a fractured higher education sector is compelling. Within the next 15-20 years we're likely to see significantly less publically funded post-secondary institutions in North America. Those still serving will not resemble their predecessors. They will be characterized by their entrepreneurial approach to their business, service, and academic models. A sense of urgency has arrived and major reform is needed. You are the 'ones' we've been waiting for to ignite change. Most

Governments would prefer the 'patient to heal themselves,' however in the face of declining revenues, mounting health care costs, and debt, Governments will have little choice but to act. The choice rests, for the moment, with the higher education sector.