

## Future scope: Planning challenges for higher education

The potential effects of the credit crunch concern all institutions and the current economic situation will, inevitably, cause many to reflect on their current strategic plans and consider adjustments for difficult times ahead.

Additional challenges are on the horizon, too.

These may not be as obvious, or as easy to identify, but will influence how institutions plan for the future and the way in which they allocate the skills and resources at their disposal. Six factors to consider include:

- [1] Student choice drivers and the portfolio
- [2] Student experience
- [3] Parameters of institutional control
- [4] Talent management and skills resource
- [5] Higher education innovation
- [6] Business sustainability

### STUDENT CHOICE DRIVERS AND THE PORTFOLIO

Factors driving student choice are changing constantly.

A key factor to monitor is the effect of the higher education "menu" open to potential students. They now have the opportunity to study in a wide range of countries which will give them exposure to different academic contexts and T and L styles, all of which will have a differential value to them. This requires students to make decisions about an increasingly large array of opportunities. In response, these differential factors must be promoted effectively by institutions as part of their competitive proposition.

Such changes demand that some institutions plan their portfolios within an increasingly global context. They will also need to communicate their T and L pedagogy more accurately and effectively to inform choice among increasingly discerning students.

The shift from the traditional producer-driven model of portfolio innovation to a more overtly consumer-driven model (i.e. responding to shifts in stakeholder requirements and demand) will increase the need for effective cross-institution portfolio management and drive the necessity for ever more sophisticated market and stakeholder scoping.

### STUDENT EXPERIENCE

A high quality student experience is now more central to the higher education institutional proposition than ever before.

It has become a brand hygiene factor or "given" within the institutional proposition. Students expect an institution to demonstrate how and why the experience they will have will be comparatively different from that available at other study destinations. Innovations such as the "one stop shop" approach for a wide range of student services are becoming the norm in forward thinking higher education organisations across the globe and are, increasingly, raising stakeholders' expectations of student experience.

### Parameters of institutional control

The pace of outsourcing (considered in Newlsink in 2008), continues to increase, embracing functions and services from accommodation to IT infrastructure. While this can facilitate the more effective use of resources and services tailored to the specific needs of users, it does mean that the institution has less control over:

- The management of the totality of its proposition.
- The relative quality of service it provides to its stakeholders.

Institutional ability to manage positioning and reputation is also increasingly compromised by the extent to which the volume of corporately produced information is eclipsed by user generated communications and content. The rise of blogs and user review web sites, for example, has redefined the reach and power of traditional "word of mouth" communications. This has made institutions (and their reputations) vulnerable to negative consumer feedback on an unprecedented scale. The management of responses to this situation will demand exponentially increasing resources.

### Talent management and skills resource

The ability to attract and retain talented staff is central to the success of any institution, but is a task that will become increasingly difficult.

For academic faculty and professional services staff, the market is an increasingly global (and expensive) one. This demands that institutions understand and promote their employer proposition effectively and competitively and that they have the resources to not only attract staff, but also to keep them engaged, productive and on the payroll.

Staff satisfaction will become ever more closely (and demonstrably) linked to the relative quality of the experience of students and other stakeholders. The impact of low staff morale and disenfranchisement on student experience, for example, can be extremely detrimental, affecting not only stakeholder perceptions, but also institutional reputation on a far reaching scale.

Talent management and succession planning will need to be centre stage to ensure that the institution's mission and ambitions are safeguarded and fulfilled, but also to enable staff to envisage career paths through the institution.

However, the need for new blood appointments and the importing of talent will also be critical. As Gary Hamel noted: "It pays to hire the best. You can't build a forever restless, opportunity-seeking organisation unless you're willing to hire ever restless, opportunity-seeking individuals"<sup>1</sup>

The need for institutions to be increasingly business focused will demand a greater range of professional skills: they will need to search hard and in sectors beyond higher education.

## HIGHER EDUCATION INNOVATION

Institutions must focus on where and how innovation for future development will be possible. Where will the best opportunities exist?

For example, innovation opportunities could be achieved through:

- [1] The provision of consumer benefits: i.e. modes of delivery, competitive services, competitive pricing strategies.
- [2] Changes in the configuration of the business model: i.e. product or service scope, target markets, opportunities for differentiation.
- [3] The expansion of traditional institutional boundaries: i.e. strategic alliances and partnerships, the supply chain (that provides new consumers on a regular basis etc), core competencies.

## BUSINESS SUSTAINABILITY

Commercial success will become critical for some institutions, especially within the context of the increasing sector polarisation caused by research funding policy plus the growing impact of student fees and relative pricing in aggressive markets.

Third arm activity, new market entry, spin-out opportunities and education-to-business innovation will demand greater resources and new institutional skills.

To achieve business sustainability, strategic market intelligence (rather than "market research") will be required to enable organisations to keep pace with, and predict, market change.

Planning horizons will be reduced and there will be the demand for realistic KPIs, plus the evaluation of return on investment, across many institutional functions.

## The proactive response...

Inevitably, challenges will change and develop, but, for higher education, the need to be proactive in their response will always be critical to success.

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<sup>1</sup>Hamel, G. Leading the Revolution: Harvard Business School Press, 2000.