

Paths to the Future: Institutional Costs

Part two in a series by Tom Kennedy, Hyatt-Fennell Executive Search

“We are standing still on a downward escalator.” Horace Clark on Higher Education

Cutting costs alone isn't the answer. How about partnering and collaboration?

Institutional Costs

Private colleges are now discounting tuition at anywhere between 50% and 70% in order to attract students. Operating expenses have continued to escalate requiring our institutions to dip into their meager endowment, cut expenses, and seek new revenue streams.

We should be realistic about the institution's financial status and prognosis. Knowing the current data and sharing this information with all constituents are critical. If the wolf is not yet at the door, he is prowling in the neighborhood. Too many institutions either shield the financial data from faculty and staff or they don't even have a handle on critical pieces.

However, simply cutting costs isn't the solution for our future financial viability and sustainability. Our institutions are not known for innovation and change so it is up to our leaders to challenge the status quo.

Collaboration

We can no longer go it alone. Unfortunately, there seems to be such an intense rivalry and jealousy even among like-minded sister institutions that cooperation and collaboration isn't seriously considered. I have personally witnessed either intentional or unintentional competition among all religious denominations that belie their common mission and goals.

Collaboration can take on many forms and can be mutually beneficial. One example is the consortia arrangement. Online consortia have been successful for at least the last 15 years with two major players that provide services for hundreds of our colleges.

The Online Consortium of Independent Colleges and Universities (OCICU) and the College Consortium offer access for member schools to enroll their students in online courses. Both consortia provide a seamless process that is cost-effective and academically sound. Member schools are able to reduce the number of sparsely enrolled classes and curtail the use of “independent studies” while generating a higher return on tuition.

Change is Difficult

“...there is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things. Because the innovator has for enemies all those who have done well under the old conditions, and lukewarm defenders in those who may do well under the new.” Machiavelli

ABOUT TOM KENNEDY

Tom Kennedy is an internationally recognized leader in higher education with more than 50 years of experience, both in the classroom and in executive leadership roles. Tom has consulted with over 100 U.S. based and international colleges and universities and specializes in accelerated and online delivery of adult education.

Tom’s higher education leadership includes the establishing of New Ventures of Regis University, a private, non-profit, and as founder of the Online Consortium of Independent Colleges and Universities (OCICU) where he was responsible for the development of online academic consortiums with more than 80 colleges and universities. His proficiencies additionally include management of student affairs, athletics, development, and collaborative partnerships.

By working closely with organizations such as the Council of Independent Colleges (CIC), the Association of Catholic Colleges and Universities (ACCU) and the Association for Jesuit Colleges and Universities (AJCU), Tom is entrenched within the culture and challenges of private education. He has facilitated corporate partnerships with Coors, AT&T, StorageTek and Federal Express. He has served in the diverse roles of board chair, president, vice president, dean, coach, and faculty member and helped to create a dual-language program for Ana G. Mendez University System now serving over 2,500 students in Florida, Maryland, and Colorado.

Tom Kennedy offers experience, vision and leadership to guide colleges and universities in charting the course for a new era in higher education.

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