

Paths to the Future: Institutional Costs

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 institutions' 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 have a handle on critical pieces.

However, simply cutting costs isn't the solution for 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 via external resource leveraging.

Collaboration Through Consortia

Collaboration can take on many forms and can enable smaller schools to compete with resource-rich institutions. It is estimated that more than 125 consortia are now in operation across the country. For example, library consortia have long been utilized by most colleges and universities. A more recent model is an online consortium.

The Online Consortium of Independent Colleges and University (**OCICU**) offers access for member schools to enroll their students in online courses. This consortium provides 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 better return on tuition.

It would seem that “mission-driven” colleges with similar or identical goals would be prime candidates for consortia-type mutual strategies. Faith-based institutions that share religious views would be natural alliance candidates, but there have been few instances of maximizing their collegial potential. Their underlying sibling rivalry overshadows their common mission and goals.

External Partnerships

For small to medium-sized colleges, partnering with unrelated entities sometimes can be easier, more complementary, and more productive than working with look-alike schools. If leaders interpret the college mission in a more flexible way, it will include a much broader audience. There are many examples where colleges have unlocked their self-imposed mission-based boundaries.

Fifteen years ago, **Regis University** and **Ana G Mendez University** (Puerto Rico) created a for-profit organization to manage dual language (in English and Spanish) degrees in Florida, Texas, and Maryland. Regis also partnered with **National University of Galway** (Irish Studies) and **Ateneo de Manila University** (MBA).

Partnerships between colleges and corporations have yielded many instances of fulfilling mutual needs. **Southern New Hampshire University** and Walmart have recently joined together to serve adult learner employees. The **University of St. Francis** at one time offered classes at Federal Express terminal locations using break rooms as classrooms.

Regis University placed an academic counsellor on site to serve employees seeking higher education degrees and then developed a software engineering certificate program on-site with IBM in Boulder, Colorado.

Some of these relationships lasted only a handful of years, but both entities have gained much from one another while serving students.

Future Considerations

It may be time to consider partnerships with trade schools. As a model, Lewis University successfully combines their aviation maintenance two-year program with core and business courses for a Bachelor of Science degree. St. Francis was a pioneer in developing the “upside down” degree format by accepting nursing school diplomas as a major and providing core humanities courses to complete a bachelor’s degree.

Mutually beneficial relationships between colleges and various labor unions such as the Teamsters, the Pipefitters, and building trades should be examined. The renewed national emphasis in trades might coincide with the national need for critical thinking, interpersonal relations, and communication skills for our work force.

Smaller private colleges and universities should be able to function better, more efficiently, and more quickly than their public counterparts. Unfortunately, most of the impediments they face are internal. Until they shift their thinking from vertical to lateral, they will struggle for survival and relevance. But struggle times can also be fertile ground for creating new ways to do things.

"No matter how brilliant your mind or strategy, if you're playing a solo game, you'll always lose out to a team." - Reid Hoffman