

Universities through the Looking Glass ...

the changing business of higher education

UCISA Annual Conference
Edinburgh, March 2011

Mike Boxall
PA Consulting Group



Surviving and thriving in the looking glass world

1. Know your business
2. Know your markets
3. Know your place

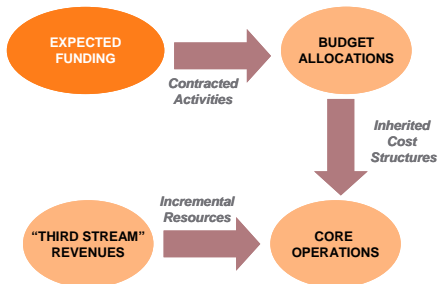
Climate Change in HE – it's here, now ...



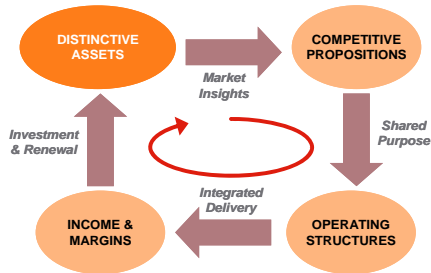
The new Looking Glass economics of HE

	"FUNDED WORLD"	"MARKET WORLD"
Business Imperatives	Maximising public funding	Generate earnings
Financial goals	Break-even	>5 -10% surpluses
Quality criteria	Peer-rated teaching and research	Customer needs and value
Organisation	Discipline- and function- based	Customer-centred matrix
Resource Management	Allocated spending targets	Devolved business plans
Price Drivers	Fixed cost legacies	Worth of services to clients
Performance Measures	Public accountability	Balanced business scorecard

Universities must abandon funding-dependent business models ...



... and develop new models based on coherent capabilities



Universities as businesses – with social purposes

Public universities must become more business-like, market-facing and competitive, without losing sight of their distinctive purposes and values:

- Sustaining learning and knowledge as **public goods**, accessible for social and economic benefits
- Integrating the creation, sharing and application of knowledge as **indivisible dimensions** of learning
- Promoting learning as an open, **collegial process** of social engagement, between academics, students, professionals and practitioners.

Universities are becoming archetypal **social enterprises**, that is *"businesses with primary social objectives whose surpluses are principally reinvested for that purpose in the business or community"*

Proposition #1

21st Century universities will be social enterprises, justified and sustained by their value to society.

Surviving and thriving in the looking glass world

1. Know your business
2. Know your markets
3. Know your place

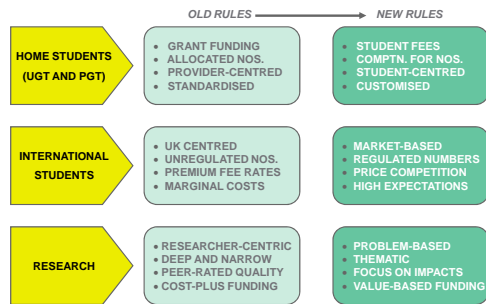
HE is about much more than 18 year-old undergraduates ...

Student Groups	National employers	X	X	X	X	X	X	X		X
	SME/local employers	X	X	X		X		X		X
	Casualised hoc							X	X	X
	Leisure/USA	X	X						X	X
	Adult workers	X	X	X		X		X	X	X
	Professionals				X	X	X	X		X
	Overseas	X	X	X						
	Graduates	X	X	X	X	X			X	
	School leavers	X	X	X						
		Pathway Foundn.	Uo degrees	PG degrees	Profnl. Quals.	Entry to work	CPD & updating	Work-based	Personal developmt.	Specific reqts.

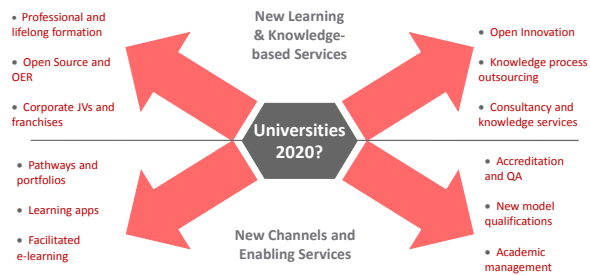
Learning needs

... and that's before considering research, consultancy, on-line learning, business services, conferences, cultural activities, etc., etc.,

Customers are driving transformation in universities' core markets



Opportunities for growth beyond current horizons ...



Proposition #2

21st Century universities will be defined by the different markets and customer needs they seek to serve.

Surviving and thriving in the looking glass world

1. Know your business
2. Know your markets
3. Know your place

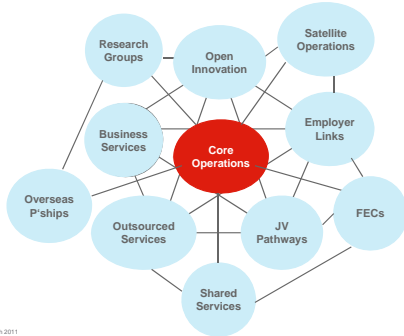
Who will shape their future higher education?



The learner journey - 2010 and 2020



HE sans frontières – the networked university



Organising capabilities around streamlined customer propositions



... all of these provide one-stop, tailored customer interfaces to global networks of services and resources.

Proposition #3

21st Century universities will link learners to the global ecology of learning resources and services.

So

Tomorrow's universities must:

- earn their living from the private and social value they generate
- focus on building competitive competences in selected markets
- provide smart access to a universe of learning resources.

Leading-edge information and technology capabilities will be fundamental to achieving this, BUT ...

So

Tomorrow's universities must:

- earn their living from the private and social value they generate
- focus on building competitive competences in selected markets
- provide smart access to a universe of learning resources.

Leading-edge information and technology capabilities will be fundamental to achieving this, BUT ...

... how can we grow the e-maturity of our universities to match that of their customers?

