

Mission or Market – Do We Need to Choose?

An Introduction to the Alliance for Higher Education Competitiveness

By Rob Abel, President and Founder

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Keeping Track of Competitiveness Issues

While higher education is perceived as one of the most insulated “industries”, immune to change, the fact is that since the founding of our country there has been and continues to be an unprecedented rate of innovation in how our higher education institutions are serving the needs of America and, more recently, the world.

Perhaps you are like me. Deeply involved in the higher education industry, but while interested in the big picture are much too busy to “see the forest through the trees”. Like me, you may be deeply committed to the openness and collaboration of this very unique



industry, but are oft hearing about new issues that sound very “corporate”, like marketing, for-profit institutions, international expansion, partnerships, and students as “customers”. Whether you are a faculty member, a faculty leader, an administrator, or a trustee you are uncertain on where all this headed. You may also have this gnawing feeling that you should be involved in more change and innovation than you are, but aren’t quite sure what the priority needs to be.

In fact, my interactions with many higher education executives indicates that there are more questions than answers when it comes to these many issues, which seem to fit best under a somewhat odd heading for this industry: competitiveness. Why competitiveness? I am not 100% sure, but it

seems that many of the forces that are causing a stir are increasingly coming from the outside and are increasingly asking, “what are the alternatives?” In other words, there appear to be increased market forces at work that need to be understood and responded to.

If any of the preceding paragraphs ring true for you, then the Alliance for Higher Education Competitiveness (“A-HEC”) was created for you. A-HEC is a non-profit corporation organized to encourage development, sharing and dissemination of information on competitive practices in higher education. With a primary focus on

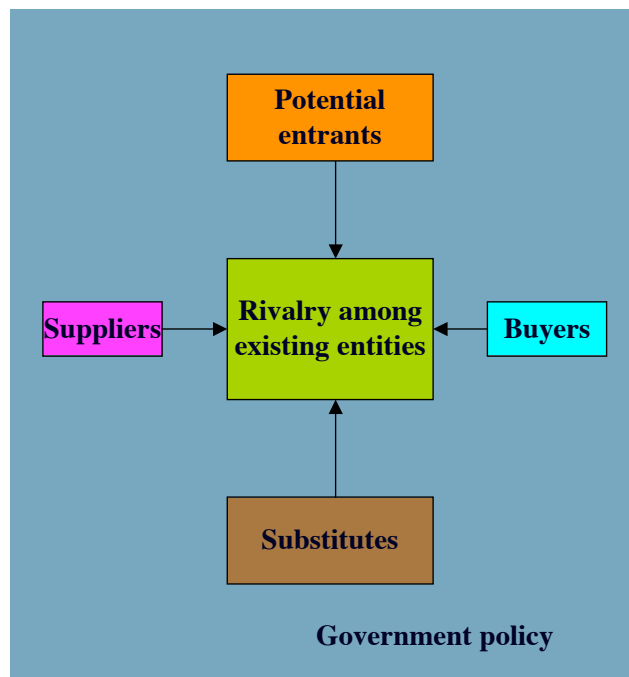
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American education, global issues as they affect American institutions will also be covered.

As a non-profit corporation, sponsor dollars are used solely to further the non-profit mission of the organization¹. Our sponsors range across corporations, institutions, and individuals, all of whom understand that all dollars received are used to fund the non-profit mission of collaboration. The work performed by A-HEC is owned by the public and must be transferred to another non-profit organization if A-HEC ceases to exist. In other words, the objective is for the contributions of A-HEC to persist in the long run.

Mission Versus Market

Collaboration on competitiveness seems like an oxymoron. Like all industries, higher education has an “industry structure” that includes competitive forces². But, at the same time, there are certain barriers to entry, such as accreditation, reputation, government support, and geography that are greater in higher education than in many industries (but by no means all!). Despite that, there is very intensive competition for students, faculty, and reputation³, and, there is a great deal of money to be made. One need only compare the endowments of the top schools with some of the richest corporations and notice the market capitalizations of the for-profit education companies⁴ to realize we are in a high stakes game.



Yet, the barriers tend to mute competition, making for a situation where it makes sense for like institutions to learn from one another. But there is another factor. From our perspective it comes down to a question that is on the minds of many higher education leaders – How do we balance the needs of the market with our mission?

Dr. Bill Graves, formerly of the University of North Carolina Chapel Hill and now with SunGard Collegis, introduced me to the concept of education as both a “market good” and a “social good”, a great insight. Although it may take us awhile to convince you, at A-HEC we do not believe that institutions need to choose between satisfying their mission and satisfying the market. The reason why is because “the market” almost surely needs to be reflected in the mission. It is probably not the entire mission, but it is a critical element. Much of the work of A-HEC will focus on this key issue of achieving alignment between mission and market.

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A-HEC does not “have a side” when it comes to non-profit versus for-profit institutions. It seems to us that there are good reasons to have both and we will provide a forum on how these entities can coexist and collaborate in the higher education market.

A-HEC Focus: Institutional Performance and Programs of Study

At A-HEC we would like to make an impact. We believe that the best way to do this is to create something that is usable by higher education practitioners and to focus on an area that has great need. While competitiveness can cover many issues, from how to create a great football team to how to increase the endowment, we have chosen to focus on what we believe are two common denominators among all higher education institutions: Institutional Performance and Programs of Study.

Institutional performance fits closely with achieving organizational alignment in two ways. The first is that if done correctly institutions should be creating their own performance criteria, based on the input of their stakeholders. We believe higher education institutions are like corporations in this regard, but with additional complexity in terms of the constituents they are serving. However, performance measures are not put upon corporations by our government and we don't see how that as a good fit for higher education. Secondly, alignment around mission is key, but there must be some way to measure and communicate achievement of the mission.

Our belief is that programs of study are where “the rubber hits the road” in higher education. It is where the contributions of many talented and innovative educators, and administrators, create and have impact on both the market and society.

What makes a program competitive? At A-HEC we are creating tools and an experience base that will help program leaders compare their works to best practices. A-HEC is conducting a Program Evaluation research study/beta test through July 2005. We can only accept a limited number of participants in select program areas. Participation requires an interactive interview process and ends with a private report to the program leaders identifying strengths and weaknesses along several key Dimensions of Effectiveness.



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From an experience base in institutional and program evaluation comes a very unique opportunity to recognize publicly innovation that is making a major difference in the higher education community. A-HEC will be recognizing programs and institutions that exemplify highly impactful leadership annually, beginning in 2005.

Evaluation tools and innovation awards are available to institutions of all types, including non-profit and for-profit.

The Dimensions of Effectiveness

While the U.S. News and World Report rankings may be all that some care about, the A-HEC program evaluations take a decidedly different tact. The purpose is to be helpful to program and institutional leaders in determining how effective a program is: from both the institutional and student perspective. In order to provide this guidance, the A-HEC interview process and evaluation report focuses on ten “dimensions”.

1. **Alignment with Institutional Mission:** At the core of every institution are key values and objectives. Does the program help further these objectives?
2. **Distinctiveness:** What is innovative about the program? How is it better than other similar programs?
3. **Market or Social Need:** Is there a market or social need that the program is responding to? What impact can this program have on addressing the need?
4. **Clarity of Value Proposition to the Student:** Is there an explicit definition of what the benefits to the student are of taking this program?
5. **Clarity of Positioning:** Is there a good understanding of the choices a potential student has and what the decision criteria are? What is the “value advantage” of the program compared to the other alternatives a student may undertake?
6. **Delivery and Service:** Does the student experience mesh with the purported value proposition? What processes were put in place to ensure this?
7. **Promotion:** What strategy is used to reach potential students? Is the strategy consistent with the program positioning and the institution mission? What is the return on marketing and recruitment dollars?



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8. Quality Measures: How is program quality defined and measured?
9. Student Impact: How is student success defined and measured?
10. Financial Impact on Institution: Is the financial impact of the program on the institution understood and quantified? How important is this impact in the larger context of the institution?

Part of the A-HEC mission will be to continue to refine the dimensions of effectiveness with experience. While imperfect, the system provides program and institutional leaders process to think through a balanced set of metrics for determining program effectiveness.

A-HEC In-Depth: An Open Exchange of Higher Education Analysis

For those higher education practitioners and leaders that have an interest in keeping up with and understanding competitiveness issues from a non-partisan perspective, A-HEC publishes about thirty interviews and analysis articles per year via our website. Our focus is on three areas: Leadership, Program Innovation, and Analysis of Current News. Occasionally A-HEC will also be publishing sponsored research on competitiveness issues.

This collection of interviews and articles is meant to serve the purpose of providing more in-depth insight than the typical news summaries that we all have grown so accustomed. All interviews and articles will be published on the web and available for download. Subscribers specify areas of interest and are notified when a new article is available. Subscriptions are completely on the honor system. If the interviews and articles are found to be useful, we request a small, voluntary, one-time payment for individual sponsorship.

Our objective with “A-HEC In-Depth” is to be concise, challenging, and insightful. Contributions and comments from our readers are invited.

About Rob Abel

Rob Abel has over 25 years experience in high tech research, engineering, product development, and marketing. Rob has spent the last five years working with higher education leaders to implement change and innovation. He is currently serving as President of the Alliance for Higher Education Competitiveness, a non-profit organization focused on promoting innovation, accountability, and entrepreneurship in higher education. Rob is also a doctoral student in the Educational Leadership and Change program at Fielding Graduate University.

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Prior to A-HEC Rob held executive positions at Collegis, Oracle, National Semiconductor, and TRW. Rob has focused the majority of his career on high tech product and market development.

Since 1999 Rob has been helping higher education leaders develop and implement new strategies, serving as Senior Vice President of Client Services, Chief Marketing Officer, and Senior Vice President of Business Development of Collegis, Inc. (now SunGard Collegis). Rob has been deeply involved in all aspects of the e-Learning industry since 1996 when he led the development and worldwide deployment of one of the first enterprise Learning Management systems at Oracle Corporation, where he served on the global executive management team of Oracle Education. He has been focused on Internet product and market development since 1995 when he served as an executive in corporate Strategic Market Development at National Semiconductor.

In the early 1990's Rob pioneered application of advanced sensor technologies and mapping technologies for airborne environmental monitoring while serving as the Managing Director of a new business unit at TRW, Inc. In the 1980's he was a leader in applying object-oriented design, distributed systems, and highly parallel computing architectures to real-time signal analysis, for which he received the TRW Chairman's Award for Innovation.



Rob has a BS degree in Computational Physics from Carnegie Mellon University, a MS degree in Computer Engineering from the University of Southern California, and an MS degree in Engineering Management from Stanford. Rob's hobbies include cosmology, blues guitar, gardening, hiking, and home automation.

¹ A-HEC is in the process of applying for federal tax-exempt status under section 501(3)(c) of the internal revenue code.

² Read Michael E. Porter, *Competitive Strategy* (New York, The Free Press, 1980), for the classic overview on industry structure and competitive forces.

³ Read David L. Kirp, *Shakespeare, Einstein, and the Bottom Line: The Marketing of Higher Education* (Cambridge, Massachusetts, Harvard University Press, 2004), for great examples of the competitive forces in higher education today.

⁴ Read Richard S. Ruch, *The Rise of the For-Profit University* (Baltimore, The Johns Hopkins University Press, 2003), for background on the for-profit education industry.