Reimagining the University

BEYOND THE RETURN TO NORMAL IN THE DECADE AHEAD

— BY JEFFREY SELINGO —

Introduction:
Three Levels of Change

A seismic shift is underway. For the last two years, we've witnessed a great reassessment going on in the U.S. economy. It's happening on many different levels—each with significant consequences for higher education.

At the most basic level, the Covid-19 pandemic upended our lives, habits, and traditions, including college as the default after high school.

Such a shock to the system encourages us to reevaluate what we're doing and try new things. In higher education, we're seeing growing evidence—both anecdotal and in surveys—that Americans are questioning the value of college. Already, enrollment in higher education has declined by nearly one million students since 2019. It's not that people think a post-secondary education isn't necessary. Rather, the question they're increasingly asking is whether a traditional, residential college is the right pathway after high school—or if taking time off or earning a two-year degree first or getting a technical education is a better route.

This skepticism has only deepened with an expanding set of data about college outcomes and a recognition that employers want graduates with skills, not just degrees. As a result, prospective students and their parents want to know what the return on their investment will be, and they're flocking to colleges that provide hands-on, experiential learning as well as show how well their graduates do in the job market.

On another level, the pandemic also afforded us options on where we wanted to live, how we worked, the ways we shopped—and how we learn.

Tradition-bound colleges abandoned their academic calendars and offered flexible classes in-person, online, and in hybrid formats. It's clear that optionality is the new normal in every sector of the economy—and higher education can't return to its old way of doing business and expect to survive. A focus on the student experience—making it flexible, seamless, and relevant—is critical in the coming years.

Finally, the experience of Covid-19 exposed challenges for higher education's financial stability and workforce that had been accumulating for years.

The decade ahead will require both financial and human capital that many colleges simply don't have at their disposal. The path forward for many institutions is not one that they will take alone, but is instead one where they align with other colleges and universities as well as develop partnerships with private entities to accelerate innovation.

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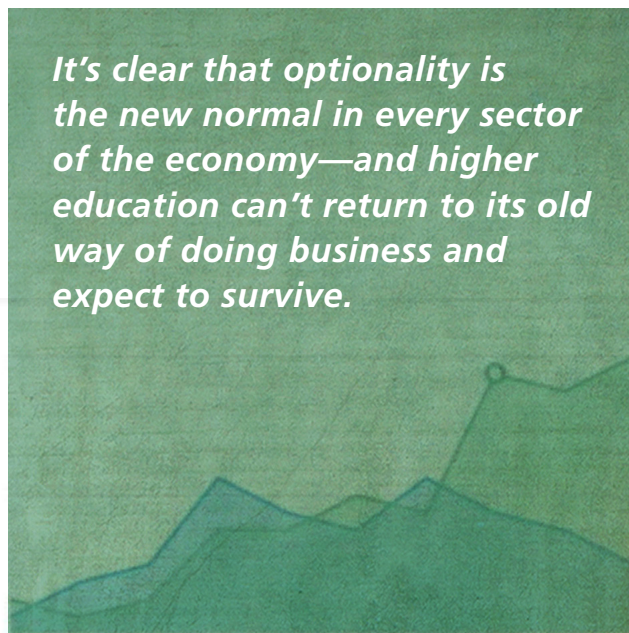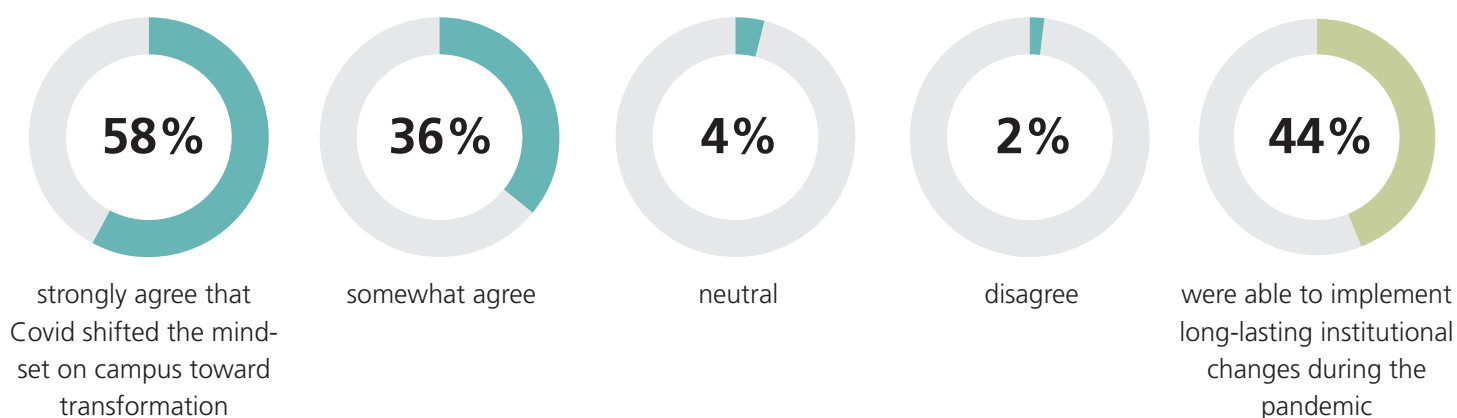
From Crisis Comes Opportunity

The challenge for colleges as they plan for this postpandemic future is to pay greater attention to real differentiation in the market instead of staking their future on tweaking the edges of what they're already doing. Surviving and thriving in the decade ahead is not simply about recruiting students in new markets, adding majors in high-demand fields, or expanding online degrees.
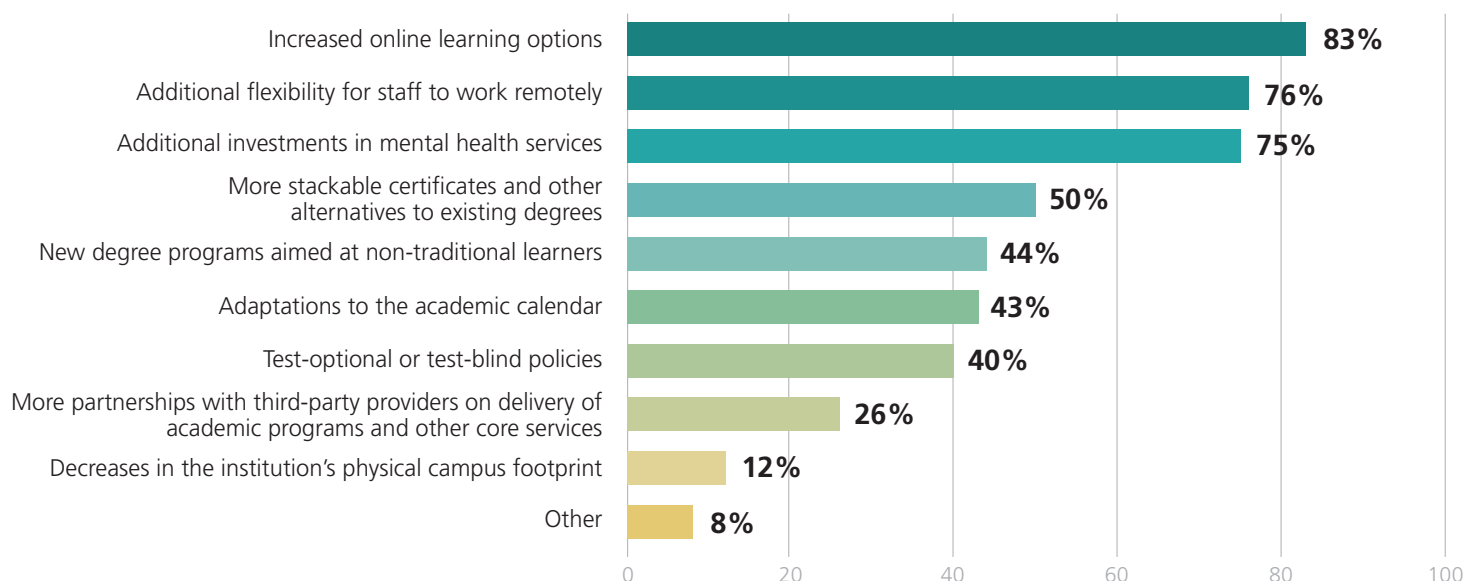
FIGURE 1

A Changing Mindset for a New Normal

College presidents say the pandemic forced their institutions to think differently…

58%
strongly agree that Covid shifted the mind-set on campus toward transformation

36%
somewhat agree

4%
neutral

2%
disagree

44%
were able to implement long-lasting institutional changes during the pandemic

…and 52% say some Covid-related changes will stick, including:

Category	Percent
Increased online learning options	83%
Additional flexibility for staff to work remotely	76%
Additional investments in mental health services	75%
More stackable certificates and other alternatives to existing degrees	50%
New degree programs aimed at non-traditional learners	44%
Adaptations to the academic calendar	43%
Test-optional or test-blind policies	40%
More partnerships with third-party providers on delivery of academic programs and other core services	26%
Decreases in the institution's physical campus footprint	12%
Other	8%

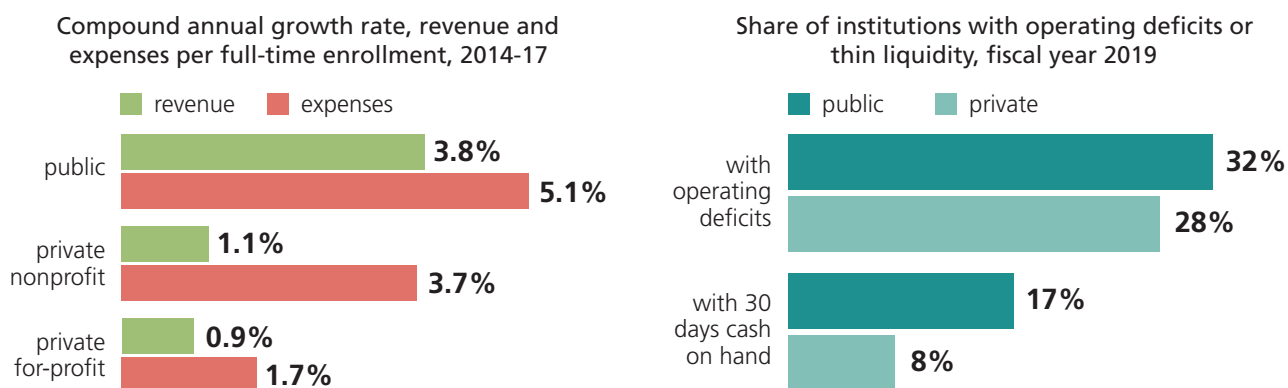Source: Inside Higher Ed, survey of presidents, 2021

After decades of portraying their ambitions with similar rhetoric and often a generic set of approaches, colleges need to transform and distinguish themselves as whole institutions.

Disruptive periods in higher education—like the one we're living through now—tend to reward innovative players. When you consider the institutions that are often talked about as innovators, they started on that journey following other disruptive eras—such as the dot-com bust in the early 2000s (Arizona State University and Southern New Hampshire University) and the financial crisis in 2008 (Georgia State University and Paul Quinn College).
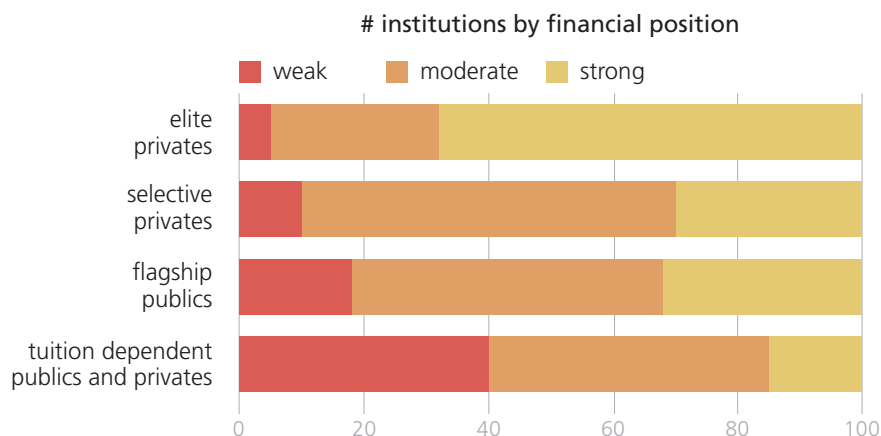
FIGURE 2

Who Is at Risk?

The race to attract and retain students has increased operating deficits that existed before the pandemic...

Compound annual growth rate, revenue and expenses per full-time enrollment, 2014-17

- revenue
- expenses

public
- revenue: 3.8%
- expenses: 5.1%

private nonprofit
- revenue: 1.1%
- expenses: 3.7%

private for-profit
- revenue: 0.9%
- expenses: 1.7%

Share of institutions with operating deficits or thin liquidity, fiscal year 2019

- public
- private

with operating deficits
- public: 32%
- private: 28%

with 30 days cash on hand
- public: 17%
- private: 8%

...and then the pandemic blew a further hole in the finances of many institutions.

 # institutions by financial position

- weak
- moderate
- strong

- elite privates
- selective privates
- flagship publics
- tuition dependent publics and privates

0   20   40   60   80   100

Note: Financial position is a combination of strength of enrollment trend, net margin, and primary reserves.
Source: Analysis by Bain & Company

This pivotal moment in higher ed, much like other significant ones in its history, will reward those institutions that balance tradition and stability with innovation and dynamism. With the fall-off of some $70 billion in government pandemic funds coming in 2023, there is a reckoning on the horizon for many institutions that have used the dollars to plug holes in their dikes. While some institutions will surely close, most will survive, leaving a growing divide between the "haves" in American higher education (~400 U.S. institutions) and the "have-nots" (everyone else). That means there is about one year of "lead time" for the majority of colleges and universities to prepare for what's next.

But even the "haves" of higher education aren't fully protected from the rapidly changing conditions in the sector. There are a set of what I call "common denominator" issues facing all of higher education that were uncovered in our interviews with more than two dozen presidents (see Figure 3).

FIGURE 3

Common Denominators

Here are the common concerns and issues facing all types of higher education institutions—even if they are on a different scale.

Teaching and Learning
Teaching may be valued differently on various campuses, but all institutions are struggling with how to integrate virtual, face-to-face, and project-based learning.

Public-Private Partnerships
Institutions need assistance in defining their needs that could be solved through a public-private partnership (P3); learning from other campuses that went through the same process; and choosing the right partners.

Diversity, Equity, Inclusion, and Belonging
DEIB is a constant struggle for leaders because their student body is diversifying at a much faster rate than their workforce. Campuses need to educate their workforce and find the next generation of talent.

Innovation
Given the speed and depth of changes swirling around higher education, all institutions are mobilizing like never before to shape what the future looks like, mobilizing new educational approaches, and piloting ideas.

Value and Relevance
There is a shift in how higher education value is being calculated that will require all institutions to develop new narratives for stakeholders (prospective students, funders, and alumni) that take into account a university's total value proposition.

Student Experience
Students expect the always-on, customized experience that they get in every other part of their lives from social media to Netflix, yet all institutions are struggling with how to personalize the experience.

Research
The competition for academic research funding is only increasing. Campus leaders need to better understand how research can serve their institutions and identify where they stand the best chance of attracting faculty and funding.

The risk facing colleges and universities is one leaders acknowledge is also an enormous opportunity if institutions are willing to rethink the legacy ecosystem that defines higher education—that is, namely rankings and prestige and the perceived legitimacy that comes with both. Moving to "the next level" was the standard and strategic direction of much of higher education before the pandemic.

As the late Doug Toma of the University of Georgia put it so succinctly in his seminal book about colleges' strategy: prestige is to higher education as profit is to corporations. It's why most colleges, despite their marketing claims, aren't substantially different in meaningful ways. They have similar administrative structures, academic disciplines, degrees, and residential life. Any real differences are around the edges because they're all fixated on their upward mobility in the rankings.

CONNECTING INNOVATION TO STRATEGY. But operating during a global pandemic gave colleges permission to act differently. Indeed, few institutions approached the past two years in exactly the same way. As a result, organizations have more agile mindsets. The question now is whether various stakeholders from C-suite leaders to faculty members to boards will pull the levers available to them to gain a competitive advantage and make the needed changes that will endure.

> *The prevailing strategy for institutions coming out of the pandemic should be to figure out their niche, lean into it, and connect innovation to strategy.*
>
> *– Nathan Hatch*

"The biggest challenge for colleges right now is balancing tradition and innovation as they hunt for opportunities," says Nathan Hatch, the former president of Wake Forest University. The prevailing strategy for institutions coming out of the pandemic, he said, "should be to figure out their niche, lean into it, and connect innovation to strategy."

Soon after Hatch arrived as president at Wake Forest in 2005, as part of a broad strategic plan, the university decided to focus on connecting a liberal-arts education (which the university was well known for) to what Hatch calls the "the business of living" for students. Recog-

Defining Terms

Two words are often overused when talking about the future of higher education—transformation and innovation—and have different meanings for different stakeholders.

Here is context for how the terms are used in this paper:

Transformation is typically used in the context of "digital transformation." Many college presidents I have interviewed believe they have successfully transitioned to digital campuses because of their huge investments in technology. The reality, however, is that true digital transformation is a term often misused among college leaders. Campuses might have converted analog records to digital or use digital technologies to change how work gets done. But true digital transformation means fundamentally rethinking how students, faculty, and institutions as a whole engage and interact with each other.

Innovation is a buzzword in higher education that has lost its meaning with the very stakeholders it is meant to inspire. Too often innovation is promoted simply because the word sounds good. It's about marketing more than mission. For institutions to successfully change coming out of the pandemic, they must take a hard look at their identity, measure their place in the larger ecosystem of institutions, and anchor their innovations in their mission. For higher education as a whole, innovation in the near future means improving outcomes for all learners and helping students find a sense of belonging that truly makes universities more student-centered and maximizes their impact.

nizing that prospective students were increasingly coming to college for a job, Hatch wanted to lean into the university's mission to prepare students for careers—which at a time before the Great Recession was often seen as an after-thought in much of higher education.

The new strategy (emphasizing career development) required an innovation strategy (shifting capabilities toward career services as part of the academic core of the university instead of siloed off in student affairs). An innovation strategy requires institutions to have a coherent set of processes and structures that lay out how ideas bubble up through the organization, synthesize the best ones into new products, and ultimately, determine which projects get funded.

Any organization without an innovation strategy won't be able to make the inherent trade-offs necessary in any strategic plan, argues Gary Pisano, author of

Creative Construction: The DNA of Sustained Innovation and a professor at Harvard Business School.
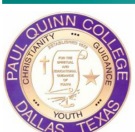
As part of Wake's innovation strategy, Hatch hired Andy Chan from Stanford Graduate School of Business to redesign career services by integrating them into the curriculum starting freshman year. He also launched the university's Office of Personal and Career Development to better equip students to navigate the path from college to career. It was one of several projects that grew from the university's innovation strategy. Chan eventually took on the title of vice president for innovation and career development, and an innovation committee was also formed on the university's board of trustees.

The example from Wake Forest shows how leadership, especially presidents, are critical to any innovation strategy because they must orchestrate the structures, talent, and culture that shape how a university searches for opportunities and eventually selects what to do.

FIGURE 4

Not Disruptive, but Routine Innovation

Innovation is often framed as disruptive in higher education, but routine or incremental innovation that builds on a university's existing strengths can also propel institutions forward. Indeed, finding a niche and using it for explosive growth—and not just seeing routine innovation as tweaking around the edges—has been a strategy employed over and over again by innovative universities.

Institution	Innovation
Northeastern University	Expanded its signature domestic co-op program to international employers in 2007—at a time when there was growing interest in hands-on learning and working overseas
Southern New Hampshire University	Took a small online operation, moved it off campus, and hired talent from the corporate world to grow it into one of the biggest online education operations in the U.S.
Arizona State University	Scaled its undergraduate enrollment to keep pace with the state's breakneck growth by partnering with dozens of ed-tech companies that could reimagine the undergraduate experience and move the needle quickly on retention and graduation rates
Paul Quinn College	Transformed itself into the first federally designated urban "work college," where all students have jobs on campus, to make the Dallas institution more affordable for students

Five Opportunities for the Decade Ahead

My research and in-depth interviews with more than two dozen university presidents, planners, and technologists has identified five key areas where institutions can set themselves apart in this postpandemic era. College leaders shouldn't think they need to pick one of these approaches. Rather, some of these strategies are foundational needs that institutions will need to address in order to take advantage of opportunities further downstream, while others overlap and can be mixed and matched and evolve over time.

1 Strengthen the "digital backbone" of campus.

After the pandemic, technology can no longer be seen as simply the "plumbing" on campus: something that operates in the background. Too many colleges and universities are still far behind on their approach to digital transformation—as was evidenced by the student experience of the past two years.

But campus leaders would be mistaken if they think digital transformation is achieved simply by moving classes online or shifting administrative software to the cloud. At its core, the digital campus is a series of connected strategies and data capabilities that hold the promise of fundamentally changing how students and colleges engage and interact.

This digital campus is powered by real-time data that provides a constant stream of insight to institutional leaders about their students, workforce, and finances. That information allows campuses to design new offerings and services to solve pressing problems and plan for various scenarios by connecting the dots between different institutional functions. Consider the connections **Georgetown University** has made between academic affairs, HR, and finance with new software that allows leaders to make dynamic decisions about academic programs by adjusting enrollment numbers, tuition pricing, and employee expenses on the fly.

Similarly, by pulling and tracking data from the student information and learning management systems, these data streams also can reduce the friction students feel in their daily life on campus, especially when they need to get issues resolved. At the **University of Texas at Austin**, wait time to talk to a human support specialist about an online class has dropped from 15 minutes to 30 seconds because the university added a chatbot to sit between students and human support. In a 2020 survey, 84 percent of students rated it as easy to resolve technical issues with online tech support.

A low-friction, customized experience is what today's students have come to expect in every other consumer interaction they have from Amazon one-click to Netflix recommendations to alerts on their Apple Watch. By harvesting institutional data and combining it with student records as well as interactions with academic advisors, colleges can uncover student needs as they arise and nudge students who aren't checking in or keeping up with assignments—rather than wait for students to come to them for help.

In the end, by linking disparate areas of campus together, institutions gain valuable knowledge that can boost efficiencies, cut costs, and, most of all, develop services and products we can't even imagine today.

Design Inspiration
GEORGIA STATE UNIVERSITY

The challenge: Getting money from the federal government's pandemic stimulus bills into the hands of students.

The approach: Many colleges asked students to complete an application to access the money. Georgia State did, too. But the university also mined its own financial aid databases.

The result: Only 6,000 students filled out an application at Georgia State for additional aid, but 70,000 received aid because the university knew they needed help.

② Improve the student experience and offer more flexibility in your offerings.

Strengthening the digital backbone of campus is a necessary first step to improving the overall "student experience." While campuses have spent the last two decades building student amenities (dorms, dining halls, and recreation centers) and services (academic advising, career counseling, and mental health support), that infrastructure hasn't been tied together to improve student engagement in the classroom and co-curricular activities, and ultimately, student success.

Designing and delivering better and more enjoyable interactions with students and measuring their impact make up the essence of the student experience. When those experiences are positive, it results in higher graduation rates, better retention, and more engaged students. Right now, too many students are spectators to the college experience, failing to take advantage of research projects and internships, join clubs, participate in activities, or meet with professors outside of class. The result is that many students find their college experience lacking. According to an annual survey of over half a million current college students by the consulting firm Ruffalo Noel Levitz, only about half of those at four-year colleges say they're satisfied with the overall experience.

While there isn't one lever campus leaders can pull to improve the student experience, there are crucial steps institutions can take that research shows improve student engagement and outcomes.

Take experiential learning, as one example. We know students are more engaged when they get to apply what they learn in the moment. That's why **Trinity College** in Connecticut is building formal IT apprenticeship opportunities on campus so that students learn deeper skills and get professional experience as undergraduates. Meanwhile, the **University of North Carolina at Chapel Hill** is launching a new general education curriculum, where every student will participate in undergraduate research. "We don't want only those students who know how to knock on doors to be [the] only ones who get research experience," says Viji Sathy, an associate dean and professor of psychology and neuroscience at UNC.

Even elite, brand-name universities are searching for ways to improve their student experience by offering the optionality that learners came to expect during the pandemic. **The University of California at Los Angeles**, for instance, is designing a summer quarter where students can mix and match online and in-person courses, giving them the flexibility to work a job or internship, or conduct research.

An improved student experience is fast turning into a key differentiator among universities. Creating a frictionless and engaging experience is the path to success for many institutions, and ensures that students want to enroll, graduate, and eventually keep giving back as alumni.

Design Inspiration
AMERICAN UNIVERSITY

The challenge: Students find navigating college confusing, which leads to less engaged students and lower retention rates.

The approach: The Reinventing the Student Experience has aimed to reinvent the way the university interacts with students outside the classroom by better integrating academic and student affairs and reducing redundancies.

The result: American's approach took its cues in part from a multiyear effort to improve the patient experience at the Cleveland Clinic. This experience is relevant to higher education as accreditors demand accountability and states increasingly attach funding to colleges' outcomes.

3 **Understand different student segments and develop programs and services for them.**

It's easy to see why colleges and universities want to improve the student experience to stay ahead of the competition, but many are struggling with where to start because they're overwhelmed by this basic question: Who are our students?

The traditional process of segmenting the student market by demographics—traditional vs. non-traditional students—is no longer sufficient in providing college leaders with the strategic understanding they need. Leaders need a more nuanced understanding of what drives the enrollment decisions of prospective students, and of what products and offerings meet these students' needs.

By thinking of students based on demographics—traditional 18- to 22-year-olds and non-traditional adult learners—colleges and universities end up serving students in ways that are convenient for the institutions rather than meeting the needs of today's students. Because of this stale approach, many colleges are struggling to maintain market share, open up new markets in an increasingly competitive admissions world, and improve their student satisfaction, retention, and post-college success.

While demographic differences remain an important differentiator, they fail to capture the deeper motivations and mindsets of today's students. By asking, listening, and watching these learners and would-be learners, colleges can better understand what they value, aspire to, and want

FIGURE 5

Opportunity Mapping

Five key areas where institutions can innovate on their models to compete in the decade ahead.

	From	**To**
Digital Backbone	Schools and departments siloed from each other	A real-time data stream that provides cross-institutional insight about students, talent, and financial position
Student Experience	Process-centered approach where services are spread across campus and full of friction for the student	A seamless, interconnected experience that enables frequent interactions with students
Learner Segmentation	Picture students mostly through the lens of age: traditional (18 to 22 years old) and non-traditional (everyone else)	Using student data and survey research, segment learners based on their motivation and mindset and build new offerings and services for them
Value Equation	Touting economic benefits of going to college by riding the coattails of national averages	A quality and relevant learning experience that has a bearing on success and well-being in life
Partnerships	Sharing of back-office operations	Coalitions that include private partners to solve a common set of problems among institutions

out of higher education. Applying an advanced segmentation process across the institution can inform everything from the recruitment of students to the formation of new academic programs and credentials.

When colleges develop personas for learners they have—and those they want to attract—college leaders often discover that students fitting a particular demographic profile can have dramatically different preferences and desires for their college experience and post-college plans. Consider how **Columbia College Chicago Online** tested the continuing education market when it launched online programs in 2016. Rather than offer degrees in a crowded marketplace, Columbia offered individual courses instead that were shaped by research on labor-market trends. Within a year, the college was offering 15 courses and five certificates to a segment of students who were looking for options to take courses, but not degrees, and couldn't find any universities that would serve their needs.

For institutions to remain relevant in the decades ahead, it is critical that leaders start thinking about the broad swath of students they want to serve—or need to serve—and how to appeal to their specific desires. By adopting a segmentation approach to inform academic majors, help students navigate campuses, and enhance recruitment practices, colleges can put themselves on stronger financial footing and improve student success.

Design Inspiration
UNIVERSITY OF MINNESOTA AT ROCHESTER

The challenge: How to make a shorter bachelor's degree more attractive to students who don't want to speed through college feeling like they missed out on key experiences.

The approach: A year-round, two-and-half year bachelor's degree in health sciences in partnership with Google Cloud. Every student in the program will be assigned a coach as well as a mentor from the Mayo Clinic, research experiences, a paid internship, and a digital portfolio to track their learning.

The result: The "Next-Gen Med" degree launches in 2022.

4 Develop a new value proposition for learners with a focus on outcomes.

An improved student experience that meets the needs of different student segments can help institutions reverse a growing public perception that not all colleges or degrees are worth it.

Questions about the value of college have only increased in recent years given ever-higher student debt levels, stagnant family incomes, as well as the proliferation of alternatives to traditional college degrees, such as industry certifications and boot camps. And for learners of all ages breaking into today's job market is increasingly about the skills they possess, and less about where they go to school or their specific degree.

As a result, this moment is ripe for colleges to reevaluate their value proposition—both the experience they're selling and how they communicate it. The new value proposition should focus on better connecting what is learned in the classroom and on a residential campus to how those experiences are certified, and ultimately to how everything relates to life after college—especially as alumni increasingly turn to their alma mater not only for social connections but also for reskilling and upskilling in a new economy.

The first step to improving your institution's value is to show your graduates have the skills needed for success in the workplace. Offer students the opportunity to earn industry-recognized certificates or skills-based credentials alongside their traditional bachelor's degree. **West Virginia University**, for instance, has identified multiple certifications that align with its bachelor's degree program in health and well-being, for students interested in health science-related careers. Meanwhile, **Purdue University Global** offers a registered apprenticeship program in cybersecurity that is designed to fulfill most of the major requirements for a bachelor's degree.

The second step is to recast your alumni experience as less about nostalgia and more about future skills. Before social media, colleges played a key role in keeping students in touch with old friends and classmates. But now alumni can maintain their networks online on their own through Facebook and LinkedIn. So a natural evolution for

alumni programs is to deploy the unique selling proposition of higher education—and that is continuous learning.

Take the **University of Washington** as an example. The college's undergraduate computer science courses often focus on helping students develop easily applicable skills, allowing them lifetime literacy as programmers. When it comes to applying those skills post-graduation, many choose to return to Continuum College, the university's continuing education unit, to take courses in specific programming languages that may not have been relevant five or ten years earlier.

Lifelong learning platforms may also be a way to bring new learners into the system, especially for colleges with a well-established brand. The continuing education division at **Harvard University**, which offers courses for every stage of life, has seen its revenue increase by more than 60 percent over the last decade.

The University of Washington, Harvard, and a handful of other institutions are part of a new movement in higher education, where classroom learning spans not two or four years but the six decades of a person's career. This 60-year curriculum, as it's sometimes called, could over time award learners micro-credentials or badges, representing expertise in very specific competency areas. This long-term approach is also how colleges begin to calculate their *total value proposition* over a person's lifetime that will, in the end, attract the next generation of students to their institution.

Design Inspiration
DENISON UNIVERSITY

The challenge: How to arm students in liberal-arts majors with the business skills that employers want.

The approach: OnBoard, a suite of 60 self-paced, noncredit, online micro-courses in everything from creating professional documents to effective communications.

The result: Student participation in OnBoard grew by 50 percent year-over-year in the three semesters after it was launched.

5 Build partnerships with other institutions and private partners to drive change.

The opportunities for the postpandemic university are both extensive and diverse. It's hard to imagine even the most well-resourced universities being able to execute successfully many of these strategies, especially as universities lose critical staff—the Great Resignation that is happening across industries.

Strategy is all about tradeoffs—choosing where to focus. The first step is for institutions to reexamine what is core vs. what is context. That means looking at those functions that are critical to your institution's mission or student success and focusing resources there while looking to deliver other functions with other institutional partners or outside private entities.

Public-private partnerships in higher education have become more complex in recent years as private companies have increasingly financed and operated critical campus functions, including housing, international student recruitment, and online programs. As some of these deals have come under scrutiny from regulators, new models are being discussed that forward-looking institutions would be wise to consider.

One model has institutions investing their own dollars in campus functions, such as online programs, but still partnering with external companies for expertise. This idea follows what institutions have done for decades with their physical assets: using donations or endowments for construction. Investing a university's money in building new online programs or for services to grow international student enrollment could over time offer a better return on investment. What's more, colleges wouldn't have to give up as large of a cut of tuition revenue—usually between 40 and 60 percent—to private companies.

Both the **University of North Carolina System** and the **City University of New York** are following this model of investing millions of their own financial resources to accelerate their online education efforts. After the remote education experience of the pandemic, nearly every institution realizes they need an online strategy to serve

different segments of students and offer more flexibility to them. Investing their own dollars is likely the only way many colleges are going to find partners willing to lend their expertise.

Another model for colleges and universities to consider is one adopted by other industries that have been disrupted in recent decades: the managed marketplace. Managed marketplaces provide platforms for others to participate in the selling of goods rather than have the entire vertical controlled by the company and its employees. Think Airbnb, Uber, Grubhub, and even Amazon.

In many ways, this idea has already started to move into higher education with Coursera, edX, and Masterclass. One way forward for your institution is to become a managed marketplace where you take your own courses and curate them with the best courses elsewhere. That's one way for a history or psychology graduate from your institution to earn a skills-based credential in data analytics or data visualization.

The decade ahead will demand that universities be more agile and deliberate about where to direct limited financial resources. The challenges facing postsecondary education call for more focused and deeper partnerships across institutions and with outside partners.

Design Inspiration
HARRISBURG UNIVERSITY OF SCIENCE AND TECHNOLOGY

The challenge: The Pennsylvania university focused on developing the STEM workforce was struggling to attract students and almost went out of business in 2013.

The approach: Outsourced everything beyond the core, from parking to marketing, and developed deep academic alliances. Harrisburg students can take a semester at the Nanofabrication Lab on Penn State's main campus or work in labs at the university's Hershey Medical Center.

The result: The university now regularly generates surpluses of more than $10 million and has grown enrollment to 6,500 students.

The Bottom Line

The pandemic exposed problems that have been lingering on campuses for years and accelerated pressures bearing down on higher education from demographic shifts to revenue shortfalls. While innovation is needed to build new business models, educate learners throughout their lifetime, and serve their communities, colleges and universities are reluctant to embrace even more uncertainty as they attempt to transform their institutions.

The research for this paper has uncovered several approaches leaders might take in the decade ahead.

Step one is developing a shared vision for the organization with specific design principles to achieve that vision. Once that vision is established, it's critical that everyone from the leadership team to the staff understands it and their role in implementing the changes.

Second, institutions should clean up and organize data systems so that everyone on campus starts with a common set of facts. The result would be that incremental improvement on various metrics are well understood—and both celebrated and cause for any needed pivots.

Third, create a sense of urgency for transformation rather than incremental change coming out of the pandemic. This moment is ripe for a new set of institutions to be those that are celebrated in the future; you want yours to be among that class.

Finally, don't just treat this time as a crisis, but build the institutional muscle for sustained change and continuous improvement.

The path forward that each institution takes will likely be slightly different, but the strategies outlined in this paper can provide a playbook for institutions to follow to sustained success.

About the Author

Jeffrey Selingo has written about higher education for more than two decades. He is the author of four books on higher education; the latest, Who Gets In and Why: A Year Inside College Admissions (2020). He is co-host of the podcast, Future U., and editor of the higher education newsletter, Next. You can find out more about him at jeffselingo.com.

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