1120

The Business of Higher Education

Dr. Jairy Hunter
The Business of Higher Education

State of Higher Education
Lecture #1
By: Dr. Jaicy C. Hunter, Jr.

College Business Management Institute
July 28 – August 2, 2019

The Business of Higher Education

Lecture #1: State of Higher Education

Lecture #2: The Maximum Business Officer

Lecture #3: Strategies for Leveraging Change

State of Higher Education

I. Challenges
II. Organizational Health
III. Multicultures
IV. Costs of Higher Education
V. Graduates
I. Challenges

1. Demographics are changing geographically
2. Low graduation rates, rising tuition, high student debt and campus security
3. Value of higher education and student readiness for workplace are begin questioned
4. Mental health crisis
5. “Here come Generation Z students”

I. Challenges

Economic Outlook Survey

1. Has the enrollment at your institution increased or decreased during the past two years?
2. Do you know what your student retention rate is from the freshmen year to graduation?
3. What will be the increase in tuition and fees at your institution in the fall?
   - 0%   - 1%   - 2%   - 3%   - 4%   - 5%   - 6%   - 7%   - Other
4. How much of a budget cut has your institution experienced in the past two years?
5. Please raise your hand if your institution has not given a pay increase in: _ _ _ _ _ _ _
   - 3 or more years  _ _ _ _ _ _ _
   - 2 years  _ _ _ _ _ _ _
   - 1 year  _ _ _ _ _ _ _

II. Organizational Health

Chaotic Organization
II. Organizational Health

Please Answer (Yes or No)

1. The quality of communication and collaboration
   - Do employees interact only with people from their own group? Y/N
   - Are there strong subcultures that align with business groups or divisions? Y/N
   - Are there breakdowns in communication caused by the formation of silos? Y/N
   - Has collaboration between groups decreased over the past five years? Y/N
   - Total Yes Answers


II. Organizational Health

2. The capacity to adapt
   - Are many people uncomfortable with change? Y/N
   - Do people and groups operate according to well-established routines? Y/N
   - Has it been a long time since your organization developed a significant new revenue stream? Y/N
   - Has the percentage of revenue from new streams decreased over the past five years? Y/N
   - Total Yes Answers


II. Organizational Health

3. The balance of power among groups
   - Do influential groups or individuals use most of the organization’s resources? Y/N
   - Is it difficult for people outside the organization’s central group to obtain resources? Y/N
   - Do influential groups or individuals impede decision making? Y/N
   - Have the groups or individuals that were influential five years ago extended their influence? Y/N
   - Total Yes Answers

II. Organizational Health

Final Score

☐ 0 – 2 yes answers: There’s no need for change just yet
☐ 3 – 7 yes answers: It’s the perfect time for a change
☐ 8 – 12 yes answers: You’re late already; your company needs substantial change

Source: The Advantage, Patrick Lencioni, January 2019

II. Organizational Health

Essentials for a Healthy Culture

• Trust is the watchword
• Alignment
• Effective communication
• Right people in the right positions
• Strategic Thinking
• Innovative actions encouraged & celebrated

II. Organizational Health

Principles for Success

• Know your Purpose & Passion
• Employ the highest ethical standards
• Treat others with respect and kindness
• Have a plan and work your plan every day
• Demonstrate humility and servant leadership

II. Organizational Health
Principles for Success

- Promote a growth vs. fixed mindset
- Be an active listener and participate
- Exhibit high energy and a sense of urgency
- Be a problem solver and not a problem maker
- Give others credit for success and assume responsibility for failures

Source: The Seven Habits of Highly Effective People, Business News Building, 1999

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III. Multicuture
Baby Boomers Ages 48 - 66
Expectations In the Workforce

- Staying In Harness: 42% project they will work after 65
- Long Runways: 47% see themselves in the middle of their careers
- From “Me” to “We”: 55% are members of volunteer networks
- Yearning for Flexibility: 87% believe being able to work flexibly is important
- Familial Obligations: 71% report having elder care responsibilities


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III. Multicuture
Generation X Ages 35 - 47
Expectations In the Workforce

- Individualistic: Independent, resourceful, self-sufficient, values freedom and responsibility. They dislike being micro-managed and embrace a hands-off management philosophy. More ethnically diverse and better educated than the Baby Boomers. Over 60% of Generation X attended college.
- Technologically Adaptable: First generation to grow up with computers, technology is woven into their lives. Comfortable using PDAs, cellphones, e-mail, laptops, etc.
- Flexible: Less committed to one employer and more willing to change jobs to get ahead than previous generations. Adapt well to change, tolerant of alternative lifestyles. Ambitious and eager to learn new skills, but on their own terms.
- Value Work/Life Balance: Members of Generation X work to live rather than live to work. They often incorporate humor and games into their work activities.

Source: Generation X, by Kelly Ahearne
III. Multicultures

Gen Y Changes The Way We Work

III. Multicultures

Gen Y’s (Millenials) Ages 18 - 34

Expectations In the Workforce

- **Ambition:** These are go-getters: About as many Gen Y’s who call themselves very ambitious say they are willing to go the extra mile for their company’s success.
- **Loyalty vs. Change:** Gen Y employees fully hope to remain faithful to a workplace, but the clear majority say they also want work to bring a range of new experiences and challenges. They may be more susceptible to wanderlust than they realize.
- **Multicultural Ease:** Gen Ys are clearly at ease with diversity, whereas only 27% of Boomers have such a comfort level. Even when it comes to networking, Gen Ys excel at diversity: More than a quarter network primarily with people of a different ethnicity.
- **Healing the Planet:** Gen Y workers want an employer who shares their eco-awareness and social consciousness, even down to the details of office energy use. Nearly one quarter say it’s very important to work in a green, environmentally conscious workplace.
- **Networking by Nature:** Working in teams is a top motivator for Gen Y employees. They love to connect with others and enjoy working in offices that are open and conducive to socializing. They want people, even bosses, to be readily accessible.

Source: How Gen Y Brings New Realities to the Workplace. By Inwhite, Shepkin, and Turkberg (Ahillon)
III. Multicultures

Generation Z

- Born after 1996
- Face-to-face communication preferred
- Engagement
- Future-focused
- Work-life separation


IV. Costs of Higher Education

Questions for Discussion

1. Has the cost of higher education become more than the average household income?
2. Has the burden of "who pays" for college education shifted from public funding to students?
3. Does a college graduate earn back the sufficient funds to receive a good return on his/her investment?
4. Why does higher education costs so much?

IV. Costs of Higher Education

Why is College So Expensive?

IV. Costs of Higher Education

20th Century Business Model

* Demand
* Pricing
* Sticker Price vs. Net Price
* Subsidies
* Tuition Discounting


IV. Costs of Higher Education

College Presidents’ Pressing Issues

* Costs of Higher Education/Student Debt
* Campus Security
* Analytics and Technology
* Financial Sustainability
* Changing Demographics/Enrollment/Retention


IV. Costs of Higher Education

Chief Financial Officers’ Areas of Concern

* Current business model unsustainable
* Unable to respond to change quickly
* Revenue shortfalls
* Meeting enrollment goals
* Lack of accurate data for decision making

IV. Costs of Higher Education

Chief Financial Officers’ Strategies for Improvement

• Expand CFO’s role
• Hire the right team
• Integrate data for informed planning
• Enhance accountability
• Promote professional development and communication


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IV. Costs of Higher Education

Average 1, 3, 5, and 10 Year Returns for U.S. Higher Education Endowments and Affiliated Foundations

<table>
<thead>
<tr>
<th>Size of Endowment</th>
<th>1 year %</th>
<th>3 year %</th>
<th>5 year %</th>
<th>10 year %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>16.9</td>
<td>17.3</td>
<td>18.1</td>
<td>19.5</td>
</tr>
<tr>
<td>Less than $1 billion</td>
<td>17.3</td>
<td>17.8</td>
<td>18.5</td>
<td>19.9</td>
</tr>
<tr>
<td>$1 billion to $5 billion</td>
<td>18.2</td>
<td>18.7</td>
<td>19.4</td>
<td>20.8</td>
</tr>
<tr>
<td>$5 billion to $10 billion</td>
<td>19.8</td>
<td>20.3</td>
<td>21.0</td>
<td>22.4</td>
</tr>
<tr>
<td>$10 billion to $25 billion</td>
<td>21.3</td>
<td>21.8</td>
<td>22.5</td>
<td>23.8</td>
</tr>
<tr>
<td>Under $10 billion</td>
<td>15.6</td>
<td>16.1</td>
<td>16.9</td>
<td>18.3</td>
</tr>
</tbody>
</table>

Type of Institution

<table>
<thead>
<tr>
<th>Type</th>
<th>1 year %</th>
<th>3 year %</th>
<th>5 year %</th>
<th>10 year %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Institution</td>
<td>17.4</td>
<td>17.9</td>
<td>18.6</td>
<td>19.9</td>
</tr>
<tr>
<td>Private College, University, or System</td>
<td>18.2</td>
<td>18.7</td>
<td>19.4</td>
<td>20.8</td>
</tr>
<tr>
<td>Independent Foundation</td>
<td>19.2</td>
<td>19.7</td>
<td>20.4</td>
<td>21.8</td>
</tr>
<tr>
<td>Public University/Foundation</td>
<td>17.7</td>
<td>18.2</td>
<td>18.9</td>
<td>20.2</td>
</tr>
<tr>
<td>All Private Colleges and Universities</td>
<td>18.3</td>
<td>18.8</td>
<td>19.5</td>
<td>20.9</td>
</tr>
<tr>
<td>Average (All Institutions)</td>
<td>17.8</td>
<td>18.3</td>
<td>19.0</td>
<td>20.3</td>
</tr>
<tr>
<td>Average (Public Institutions)</td>
<td>18.0</td>
<td>18.5</td>
<td>19.2</td>
<td>20.5</td>
</tr>
</tbody>
</table>


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IV. Costs of Higher Education

Average and Median Annual Net Investment Rates of Return* for U.S. College and University Endowments and Affiliated Foundations Fiscal Years 2014 to 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Average</th>
<th>Median</th>
</tr>
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<tbody>
<tr>
<td>2007</td>
<td>15.8</td>
<td>15.2</td>
</tr>
<tr>
<td>2006</td>
<td>15.5</td>
<td>15.0</td>
</tr>
<tr>
<td>2005</td>
<td>15.2</td>
<td>14.7</td>
</tr>
<tr>
<td>2004</td>
<td>14.9</td>
<td>14.3</td>
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<tr>
<td>2003</td>
<td>14.6</td>
<td>14.0</td>
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<tr>
<td>2002</td>
<td>14.3</td>
<td>13.7</td>
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<tr>
<td>2001</td>
<td>14.0</td>
<td>13.4</td>
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<td>2000</td>
<td>13.7</td>
<td>13.1</td>
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<td>12.5</td>
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<td>12.2</td>
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<td>1994</td>
<td>11.9</td>
<td>11.3</td>
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<tr>
<td>1993</td>
<td>11.6</td>
<td>11.0</td>
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<tr>
<td>1992</td>
<td>11.3</td>
<td>10.7</td>
</tr>
<tr>
<td>1991</td>
<td>11.0</td>
<td>10.4</td>
</tr>
<tr>
<td>1990</td>
<td>10.7</td>
<td>10.1</td>
</tr>
</tbody>
</table>

Source: NCES/Commonfund Study of Endowments (NCES), 2016.

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IV. Costs of Higher Education

Cost Containment Measures

* Maintain current budget/no increases
* Reduce top Administrators’ salaries
* Freeze capital projects/defer maintenance
* Automate financial systems
* Reduce travel expenses

IV. Costs of Higher Education

Cost Containment Measures

* No raises
* Hiring freeze/reduction in force
* Voluntary early retirement plan (VERP)
* Higher employee health care benefit contribution
* Flexible Classroom Models

IV. Costs of Higher Education

Revenue Enhancements

* Enhance Online Education Programs
* Charge fees for labs and other services
* Rent available facilities, buildings and grounds
* Maximize classroom space
* Add revenue producing athletic events
* Add new academic programs/net revenue
* Place ceiling on Tuition Discounts
* Summer camps
V. Graduates

Skills Needed for Workplace

- Written and Oral Communication Skills
- Organizational and Time Management Skills
- Creative Thinking and Problem Solving Skills
- Leadership/Team Building Skills
- Strategic Plan and Budgeting Skills

V. Graduates

Four-Year Graduation Rates Higher at Private Colleges

<table>
<thead>
<tr>
<th>Private, non-doctoral</th>
<th>Public, non-doctoral</th>
<th>Private, doctoral</th>
<th>Public, doctoral</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%</td>
<td>70%</td>
<td>90%</td>
<td>80%</td>
</tr>
<tr>
<td>75%</td>
<td>65%</td>
<td>85%</td>
<td>75%</td>
</tr>
<tr>
<td>70%</td>
<td>60%</td>
<td>80%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Notes: PDN = private non-doctoral colleges. Observations are at the institution/year level. All differences between PDN (matched) and Public (matched) are statistically significant at the .01 level.


V. Graduates

Education’s Impact on Employment

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Unemployment rates (%)</th>
<th>Median annual earnings ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor degree</td>
<td>5.0</td>
<td>63,128</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>4.9</td>
<td>73,518</td>
</tr>
<tr>
<td>Doctorate degree</td>
<td>4.8</td>
<td>90,010</td>
</tr>
</tbody>
</table>

V. Graduates

Education Pays
The Business of Higher Education

The Maximum Business Officer
Lecture #2

By: Dr. Jairy C. Hunter, Jr.

College Business Management Institute
July 28 – August 2, 2019

The Maximum Business Officer

I. Know Your Purpose
II. Cast Your Vision
III. Build Character
IV. Think Strategically
V. Maximize Your Potential
VI. Leadership Excellence
VII. Summary

"To be a Maximum Business Officer your endeavors must be to accomplish something beyond what you have already mastered."
~ Hunter
I. Know Your Purpose

"The purpose of life is a life of purpose."  
- Robert Byrne

- Who Am I?  
- Why Am I Here?  
- Where Am I Going?  
- What Legacy Will I Leave?  
- Illustration: Alfred Nobel

"The secret of success is consistency of purpose."  
- Benjamin Disraeli

II. Cast Your Vision

- Desired Future  
- Passionate  
- Exciting  
- Challenging

"If you don’t know where you’re going, you’ll probably end up somewhere else."  
- Yogi Berra

II. Cast Your Vision

Nik Wallenda’s Skyscraper Walk

Source: https://youtu.be/3vUitJIOJQk

5
III. Build Character

"Character is higher than intellect."
~Ralph Waldo Emerson

• Balance Three Forces
• Tell The Truth
• Avoid Conflicts of Interest
• Protect Your Name
• Keep Your Promises

"Never give up what you want most; for what you want at the time." ~Unknown

III. Build Character

Three Forces to Balance

"Character is what you do when nobody is looking." ~Hunter

• Ambition
• Competency
• Integrity

"Life consists of boomerangs. Our thoughts, actions and works return to us with amazing accuracy." ~Hunter

III. Build Character

Tell The Truth

Source: YouTube - Lewis Armstrong On Open: "It Won'All Our Eq Lis"
III. Build Character

- Protect Your Name
- Brian Williams
- Keep Your Promises

NBC news anchor Brian Williams apologizes for falsely claiming his helicopter was attacked in Iraq. Brian said he “misremembered.”
2/25/15 – 6:20 p.m.

III. Build Character

Avoid Conflicts of Interest

- An attorney is a voting member of an organization’s board. The attorney also does all of the legal work for the organization and charges his regular fee of $750/hour.
- A board member owns a construction company and bids on the job for a new building, along with three other contractors. He gets the job, and remains on the Board. Is that a conflict?
- A board member of a health care system owns a medical supplies company. His company provides essential supplies which amounts to several million dollars a year for three hospitals in the health care system. The board member states that if he is able to continue serving on the Board, and if the health care system renews his contract, he will make a gift of $2 million. If these conditions are not met, then he will make a gift of $50,000.

III. Build Character

Conflict of Interest Policy

Name________________________
Position (Board member/employee)

Please complete the financial relationship survey below. These disclosures will be used for Form 990 for the __________ fiscal year.

- During the year,
  - Did you loan any money to or receive a loan from _______? Yes ( ) No ( )
  - If yes, was the loan outstanding at the end of the year? Yes ( ) No ( )
  - Did you have a family or business relationship with another officer or director of _______? Yes ( ) No ( )
  - Did you provide a grant or other assistance to you or person related to you? Yes ( ) No ( )
  - Did you or a member of your family own more than 50% of another entity doing business with _______? Yes ( ) No ( )
  - Did you serve as an officer, director, trustee, key employee, partner, or member of an entity doing business with _______? Yes ( ) No ( )
  - Did a member of your family receive compensation or other material financial benefit from _______? Yes ( ) No ( )
IV. Think Strategically

"Never, ever, think outside the box."

IV. Think Strategically

- Strategic Planning:
  - Begins with the end in mind
  - Is the ability to generate insights, set goals and develop strategies
  - Strategic Planning Formula
    
    How + What + Who = Desired Results

- Strategic Planning requires:
  - Trust
  - Sense of Urgency
  - Broad-based Participation
  - Open Communication and Collaboration

"The most sought after leadership skill is strategic thinking." – Wall Street Journal

V. Maximize Your Potential

The Maximum Potential Matrix

<table>
<thead>
<tr>
<th>Goals</th>
<th>Current Year</th>
<th>Five Years</th>
<th>Ten Years</th>
<th>Twenty Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spiritual</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Educational</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreational</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

"There's power in writing out goals and setting target dates." – Hunter
V. Maximize Your Potential

"Motivation will always beat mere talent." – Norman R. Augustine

- Exhibit “Want To”
- Use Common Sense
- Go The Second Mile
- “Do What Others Won’t Do”
- “Do More Than Is Expected”
- Live For Something Greater Than Self

“You have not lived until you have done something for someone who can never repay you.” – John Bunyan

VI. Leadership Excellence

Maxwell’s Law of the Lid

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VII. Summary

- Know Your Purpose
- Cast Your Vision
- Build Character
- Think Strategically
- Maximize Your Potential
- Be an Excellent Leader
The Maximum Business Officer

"To laugh often and much; to win the respect of intelligent people and the affection of children; to earn the appreciation and honor of critics and endure the betrayal of false friends; to appreciate beauty, to find the best in others; to leave the world a bit better, whether by a healthy child, a garden patch or a redeemed social condition; to know even one life has breathed easier because you have lived."

~Ralph Waldo Emerson
The Business of Higher Education

Strategies for Leveraging Change
Lecture #3

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Strategies for Leveraging Change

I. Understand Change
II. Accept Change
III. Leverage Change
IV. Reflect on the Future

Strategies for Leveraging Change

Dilbert’s Strategy for Change

Change is Great!!!

You Go First
I. Understand Change

• "Change is the process by which the future invades our lives and organizations" ~(Alvin Toffler, Future Shock)
• "In a networked world, rules no longer apply, boundaries disappear and ambiguity prevails" ~(Battin)
• Paradigm shift from "Industrial Age" to "Information Age"

Press here for a message: ~(Hunter)
I. Understand Change

Changes Affecting Higher Education

• Competitive Marketplace
• Political/Economical/Social/Technological
• Education Anywhere/Anytime
• Consumer "Value Proposition" Concept

I. Understand Change

Consumer "Value Proposition"

Question: Why should prospective students select our institution?

• Marketing and branding
• Recruiting and admissions processes
• Financial Aid (Tuition Discounting)
• Campus Facilities/Technology
• Athletics
• Partnerships/Collaboration

I. Understand Change

Consumer "Value Proposition"

Question: Why should prospective students select our institution?

• Feeling of Friendliness and Belonging
• Internships
• Academic Advising/Faculty Access
• Student Relations and Satisfaction
• Student Success
• Employment after Graduation
• Other
I. Understand Change

Response Time Survey

Question: Is it annoying when it takes more than an hour to get a text RESPONSE?

Yes  50%
No  47%
Other  3%

I. Understand Change

Change Questionnaire

• Describe a major change taking place in your organization that some are accepting and others are resisting.

• How do you feel about this change?

• Why are people resisting this change?

• Why are people accepting this change?

I. Understand Change

“The only person who likes change is a wet baby”

~ R. Blitzer
I. Understand Change

- “Change is the process by which the future invades our lives and organizations”
  ~(Alvin Toffler, Future Shock)~
- “In a networked world, rules no longer apply, boundaries disappear and ambiguity prevails”
  ~(Battin)~
- Paradigm shift from “Industrial Age” to “Information Age”

Press here for a message. ~(Hunter)~

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I. Understand Change

Source: [https://www.drexel.edu/](https://www.drexel.edu/) ~July 2015~

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I. Understand Change

Reimagining the Role of Technology in Higher Education

- Better policies on all levels are aligned to promote access, affordability, and completion for students in postsecondary education.
- Greater availability of data on student learning and outcomes.
- Improve technology-enabled models of learning have allowed educators to rethink the design and delivery of high-quality education.
- Use of online and interactive digital tools such as simulations, adaptive platforms, and cognitive tutors have become more pervasive and have expanded learning opportunities for many students.
- Develop more high-quality learning programs designed to address changing student needs.

Source: Reimagining the Role of Technology in Higher Education, Office of Educational Technology, January 2015.
1. Understand Change

Changes Affecting Higher Education

- Competitive Marketplace
- Political/Economical/Social/Technological
- Education Anywhere/Anytime
- Consumer “Value Proposition” Concept

1. Understand Change

Consumer “Value Proposition”

**Question:** Why should prospective students select our institution?

- Marketing and branding
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- Financial Aid (Tuition Discounting)
- Campus Facilities/Technology
- Athletics
- Partnerships/Collaboration

1. Understand Change

Consumer “Value Proposition”

**Question:** Why should prospective students select our institution?

- Feeling of Friendliness and Belonging
- Internships
- Academic Advising/Faculty Access
- Student Relations and Satisfaction
- Student Success
- Employment after Graduation
- Other
I. Understand Change

Response Time Survey

Question: Is it annoying when it takes more than an hour to get a text RESPONSE?

- Yes 50%
- No 47%
- Other 3%

I. Understand Change

Change Questionnaire

- Describe a major change taking place in your organization that some are accepting and others are resisting.
- How do you feel about this change?
- Why are people resisting this change?
- Why are people accepting this change?

I. Understand Change

"The only person who likes change is a wet baby"

~ R. Blitzer
II. Accept Change

Proper Attitude

• Anticipate change
• Let go of the old cheese and change
• Accept change
• Be ready to change again

Source: "Who Moved My Cheese?" Spenser Johnson, Kenneth Blanchard, Regency USA.

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II. Accept Change

Change Agent Strategies

• Be Aware of the Environment
  o Institutional Mission
  o Power-based units/Where are decisions made?/Turf
  o Organizational Milieu (Past-Present-Future)


---

II. Accept Change

Change Agent Strategies

• Understand the Dynamics
  o Political Systems
  o Stakeholders
  o Decision Makers
  o Gatekeepers
  o Change Agendas of Others
    (Traditionalists/Radicals)

II. Accept Change

Change Agent Strategies

- Win Over Critics
  - Address Criticisms/Challenges
  - "Got-you" Game
  - "Yes-but" Game
  - "I see Where You're going, but..."
  - Frame Ideas Against Resisters
    - You don't know the issues well enough
      (explain that you do)
    - "Idea is too risky"/Show how the risks have been addressed


II. Accept Change

Change Agent Strategies

- Secure "Buy-In"
  - Build Coalitions for Positive Outcomes
  - Convince Others of the Merits of Change
  - Justify the Initiatives (Not always $ Savings)
  - Stay the Course (Things That get Done are Measurable)
  - Remember Change Depends on "Politics"


II. Accept Change

Accepting Change

Source: https://www.businessofchange.com

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III. Leverage Change

Transformational Leadership

- Exhibit transparent leadership
- Create a culture of trust and innovation
- Establish a sense of urgency
- Develop a mission, vision and strategy
- Encourage broad-based participation and teamwork
- Promote open communication
- Celebrate short-term wins


III. Leverage Change

Succession Planning

- CBO’s Next Career Move
  - 43.6% Plan to Retire
  - 19.6% Undecided
  - 20.2% Seek another CFO/CBO position at different institution
  - .8% Seek different administrative position at current institution
  - 7.6% Seek college presidency
  - .8% Seek a faculty position
  - 7.3% Seek work outside higher education


III. Leverage Change

Succession Planning

- Institutional Succession Planning in Higher Education
  - 37% Institutions report no CBO Succession Plan
  - 49% Institutions have an informal Succession Planning Process

### III. Leverage Change

**Succession Planning**

- **Percentage of CBO’s With CPA Certification in 2016**
  - Total: 42.5%
  - Private non-profit: 48.0%
  - Public 4-Year: 36.7%
  - Public 2-Year: 37.1%


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**III. Leverage Change**

**Succession Planning**

- **CBO’s Most Recent Employment Outside Higher Education**
  - Military: 1.7%
  - Nonprofit Executive: 9.6%
  - Government Agency or Elected Official: 37.3%
  - Consulting Firm: 4.0%
  - Legal, Medical Other Professional: 1.7%
  - Accounting Firm: 10.2%
  - Other: 16.4%
  - K-12: 7.3%


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**III. Leverage Change**

**Succession Planning**

- **New Thinking & Strategies for Succession Planning**
  - Advocate 100% institutions having a succession planning process for everyone (who is worthy and interested)
  - Provide leadership developments and skills training for all
  - Pursue professional development opportunities (CBMI)
  - Incorporate succession planning, leadership development and skills training into annual performance reviews
  - Hire and promote from within where possible (JCH)
  - Envision having a key role in equipping your successor
  - Remember — “The best job you have is the job you have right now”

III. Leverage Change

Proper Alignment
Poor Organizational Alignment

Good Organizational Alignment

Vision & Goals

Source: Illus. 12, InsightInc.com, Inc.

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III. Leverage Change

Collaboration of “Silos”

Communication
Is Essential

Source: Illus. 12, InsightInc.com, Inc.

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III. Leverage Change

Succession Planning & Training

The Idea in 10 Seconds
Find Your Strategic Leaders


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III. Leverage Change

Talent Pool Planning (50/50 Crisis)
• Identify high potential leaders
• Select the best and employ
• Develop continuously
• Monitor and evaluate
• Energize and support
• Celebrate Succession

IV. Reflect on the Future

• “We work 11,000 days of our lives between the ages of 21 and 65”— Richard Koonce
• “Choose a job you love and you will never work a day in your life” — Confucius
• Remember the 3 R’s
  • Relax
  • Rethink
  • Refocus
• Keep your “skills” and “contacts” up to date
• “Farmer Fleming experienced the boomerang”