



Higher Education's Dual Challenge

MEETING TOMORROW'S OBJECTIVES WHILE OPTIMIZING FOR TODAY'S CHALLENGES

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As growing numbers of colleges and universities face challenging financial conditions (in some cases even pushing them to the brink of closure), mergers and acquisitions are becoming an increasingly common consideration, alongside cross-institutional partnerships and other forms of risk sharing. In recent months, we've spoken with a number of small private institutions that have considered closing, merging or partnering to share resources and distribute costs. At the same time, we've helped public systems consider their strategic options for consolidating campuses and [reimagining their business models and operating strategies](#). Very few institutions are immune to these pressures.

“The question becomes, how do you lead change in an urgent context when not everyone on your campus agrees that there's even a problem?”

Indeed, higher education leaders expect to see increased numbers of closures and mergers this year. According to Inside Higher Ed's 2018 [Survey of College and University Presidents](#), 40 percent of presidents believe six to 10 colleges will close in 2018 and 55 percent think between one to five public colleges will merge this year.

With the rising cost of operations and competitive pricing environments, it's no wonder institutions are feeling the pressure. To make matters worse, demographic forecasts suggest that things may get harder for certain institutions in the years ahead. The [Western Interstate Commission for Higher Education \(WICHE\) projects](#) that between 2027 and 2032, there will be an almost 10 percent decline in high school graduates.

In this dynamic and challenging higher education environment, colleges and universities have a lot to consider as they evaluate how to lay the groundwork for a thriving future. In fact, we could argue that institutions are facing a [dual challenge](#): laying a solid foundation for the business needs of tomorrow while recasting processes today to become more relevant, competitive and efficient. Achieving this requires a different approach to strategic planning and decision making.

Rather than thinking through strategic considerations by focusing on the present and projecting forward, we help institutions envision the future and work back, identifying the critical tasks that will have to be undertaken to realize the desired future state. This [approach aligns stakeholders around a shared view](#) of future aspirations, creates deep insights into the needs of tomorrow's customers and establishes clearly defined goals.



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22-

Successfully transforming an institution requires managing these two concurrent challenges: evolving the business of today while creating the business of tomorrow. College and university leaders must look beyond their institutions' core activities and comfort zones to [diversify their revenue bases](#) and establish points of distinction in a crowded market. Moving forward, these institutions must consider internal and external realities while prioritizing the activities and investments that add the most value to their diverse stakeholders, including prospective students, faculty, alumni, employers, and the communities they support.

Creating the next version of your institution that will enable you to secure a robust financial future can be accomplished through an effective and focused strategic planning process that encompasses these twin objectives: optimizing the current operation while also building the future. [Get in touch](#) to learn how to best position your institution for a future ripe with opportunity.