



**Inside
Higher
Ed**

Building a More Sustainable Future: a Conversation With Rick Staisloff

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Presenters



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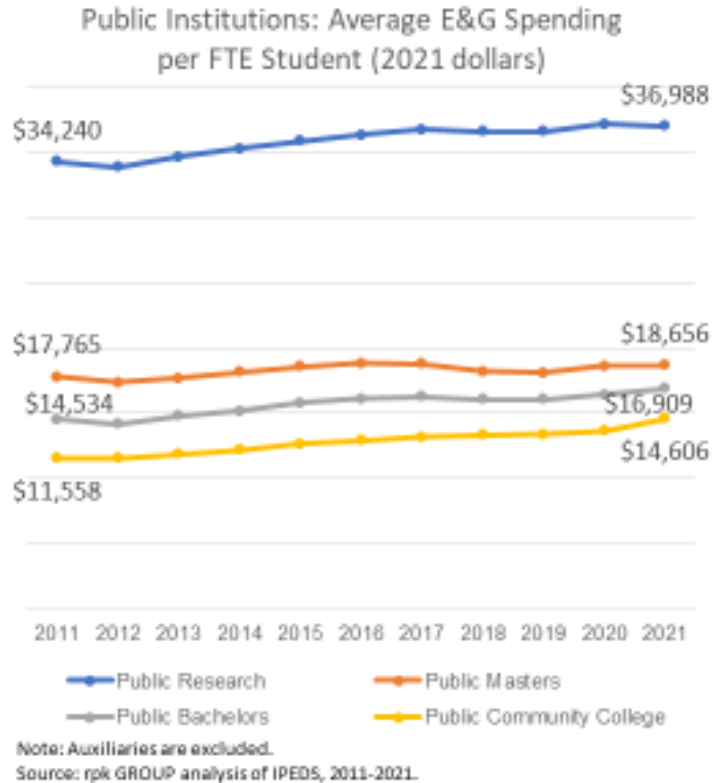
What Is This Moment in Higher Education's History?



Institutions across all sectors are less able to respond to longstanding challenges to their business models due to:

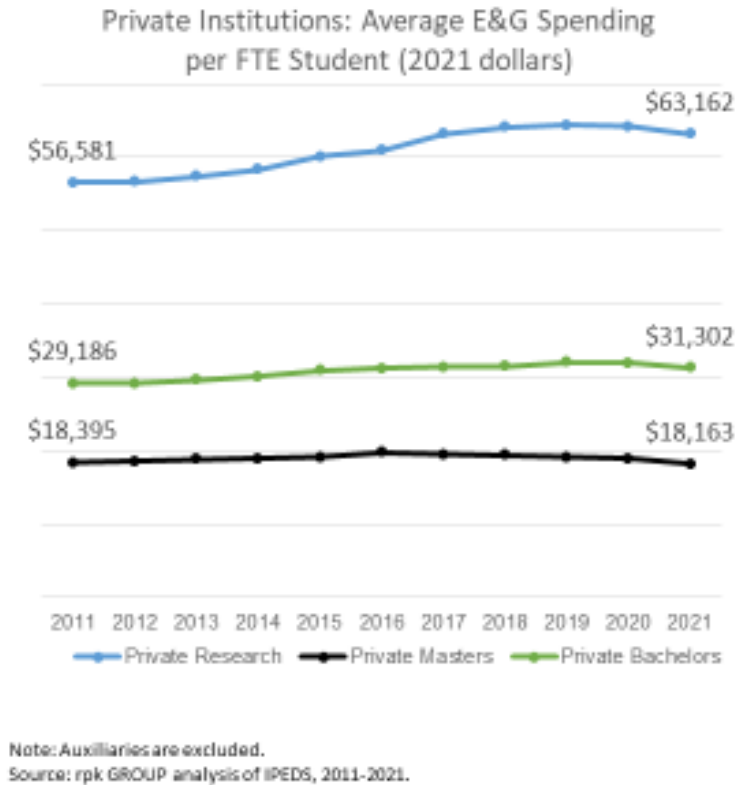
- Declines in traditional enrollments
- Historic reductions in public funding
- Increase in core costs
- Resistance to price increases
- Questions regarding value

Spending Continues to Rise Faster Than Inflation



Spending per student (in inflation-adjusted dollars) has increased across nearly all higher education sectors.

- At public institutions, spending grew fastest at public bachelor's and community colleges
- Research universities grew the most in terms of dollars spent per student at 4-year institutions.
- Private master's institutions were the only institutions where average spending per student was lower at the end of the decade.



How Might We Best Respond to These Challenges?

The “Bump in the Road” Approach

- Adopt short term solutions
- Cut across the board
- Keep core programs and services intact

The Permanent Change in the Landscape Approach

- Address structural deficits
- Streamline program offerings and services to better balance mission and market
- Reallocate existing resources toward areas of strength and growth

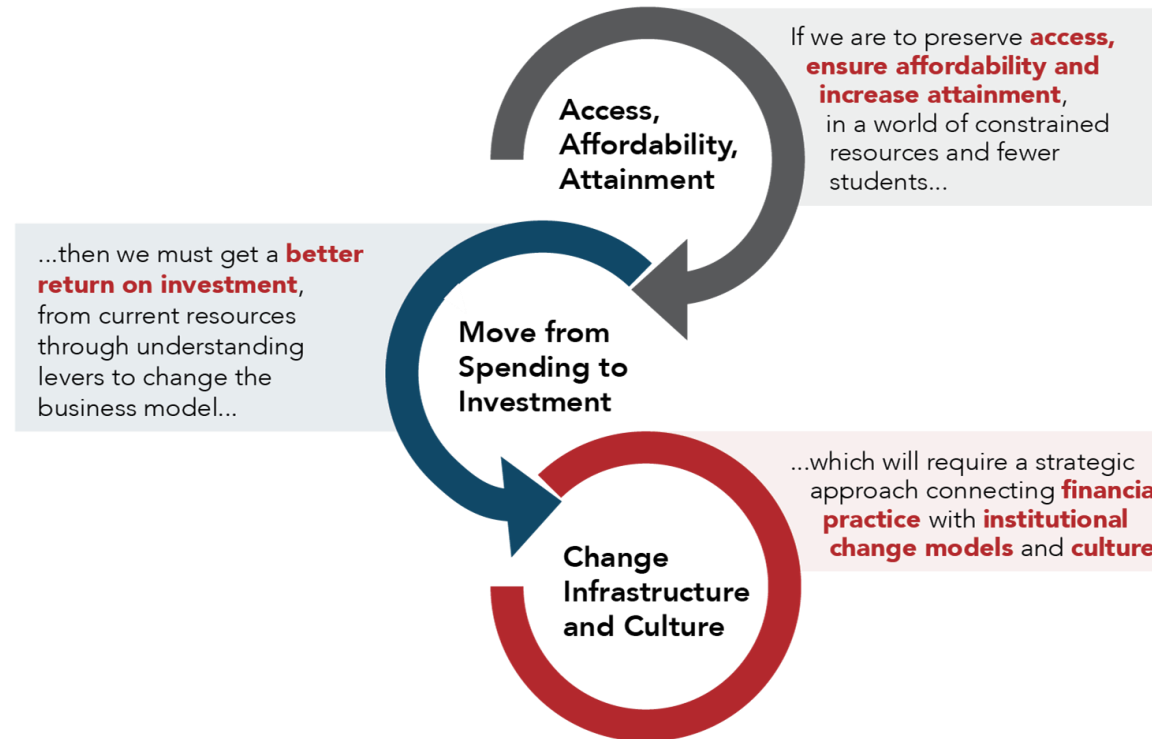
Key Question on the Table

If you built your institution from scratch today, would it look the same?



Moving Toward Sustainable Business Models

Shifting the Frame from Cost Cutting
to Maximizing Return on Investment

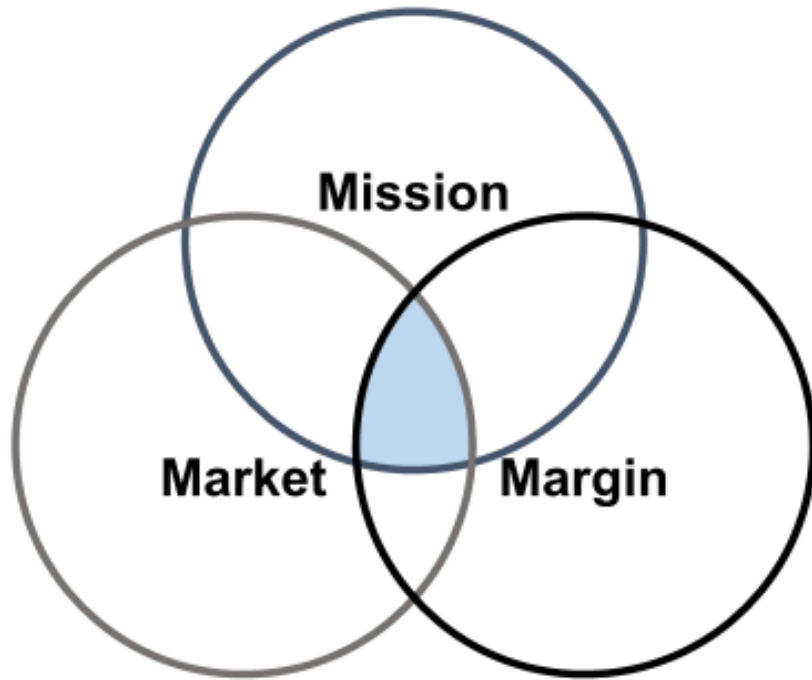


Connecting ROI to Affordability, Access & Equity

Historically, affordability has been approached with revenue-based solutions. ROI solutions look to reduce the cost of delivering quality learning that leads to a credential.

Revenue Solutions	ROI Solutions	Result of Using ROI Solutions
<ul style="list-style-type: none">• Increasing governmental support (state/local)• Philanthropy• Increasing financial aid	<ul style="list-style-type: none">• Understanding programs and services that generate net revenue• Streamlining support services• Aligning resources with student success investments• Removing obstacles from attainment pathways• Tracking metrics that demonstrate unit cost and student success	<ul style="list-style-type: none">➤ Reduction/stabilization of cost, taking pressure off price increases➤ Increased efficiency in delivery of programs and services➤ Alignment of affordability/attainment strategies with resources (people, time, and dollars)

Managing the New Landscape



Mission – Where do we excel?

Market – What do those we serve need?

Margin – How do we create a sustainable model?

What Does a Shift Toward Sustainability Require?

- Creation or confirmation of shared future vision
- Tighter connection of academic programs to student and employer demand – while still respecting mission
- Streamlining of administrative services
- Creation of business intelligence and a data-informed decision making culture
- Connection of resources to stated strategies
- Adoption of change management models

ROI Approach Can Be Broadly Applied

- Higher Ed business models developed with an ROI-focus can shift the conversation.
 - **Old:** “How much are we spending?”
 - **New:** *“Where are we investing and what do we get for that investment?”*
- These conversations can occur across ALL campus departments & units.
 - **Old:** *“Where are we going to find the money for this?”*
 - **New:** *“What is the best use of our existing resources?”*
- This approach is not always pain-free.
 - **Old:** *“Let’s find a way to keep doing what we’re doing and add more.”*
 - **New:** *“We’re no longer going to do X because reallocating those resources to Y will help us improve student success, meet institutional goals, and operate more sustainably.”*

Predicting the Future

Whatever the future may hold, a few things seem clear:

1. The number of higher education institutions will continue to contract.
2. Institutions will need to create strong strategic partnerships.
3. Changes will bring “noise” and strong resistance.
4. Higher education will need to focus on getting more from its existing resources.
5. Academic and service offerings will need to reflect student and employer demand.
6. Transparency and accountability will need to increase.
7. Industry success will increasingly be determined based upon outcomes.



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from mission to market