



A Business Plan
for the 21st Century

The Strategic Planning Process

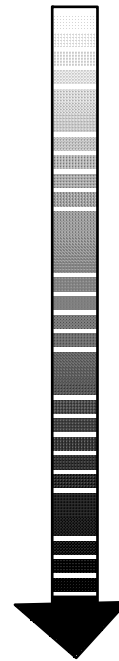
- 1. Mission, Goals, Values, Priorities**
- 2. Environmental Assessment**
- 3. Operational Objectives**
- 4. Strategic Actions**
- 5. Tactical Implementation**
- 6. Evaluation and Assessment**

Simple Goals and Actions for Complex Problems...

Simple
Goals

Simple
Strategic
Actions

Complex
Tactical
Actions



*Increasing
Complexity*

Possible Mission Themes

- **"A heritage of leadership..."**
- **"Building leadership for tomorrow on a foundation of academic excellence" (SPT-86/87)**
- **"Developing the new paradigm for the research university in 21st Century America" (SPT-87/88)**
- **"Caring and Quality"**

Other Possible Themes

- **"To become smaller but better..."**
- **"To be all things to all people..."**
- **"To serve primarily the people of Michigan..."**
- **"To become the best public university in America..."**
- **"To become the best university in America..."**
- **"To win a national championship in a revenue sport..."**

Some Models

- "The Michigan of the Past"
(Go Blue U???)
- "The University of the State of Michigan"
(MSU East???)
- "The Harvard of the West"
(much smaller but better...???)
- "The Stanford of the East"
(The University of the Bottom-Line???)
- "The University of America"
(America's university-- Dallas Cowboys style...???)

Key Planning Issues

1. Change and Renewal

- **Changing nature of education, scholarship, and service**
- **Resistance to change (change as threatening)**
- **Management of change (change as empowering)**

2. Resources

- **Human (faculty, students, staff)**
- **Financial (funding, facilities)**
- **Leadership, vision, energy**

3. Diversity and Pluralism

- **Racial, gender, cultural, nationality**
- **Socioeconomic background**
- **Intellectual**

Key Planning Issues (cont.)

4. Tensions

- **Education, research, service**
- **Undergraduate, graduate, professional**
- **Quality, breadth, size**
- **Diversity, comity, shared values**
- **Competition, cooperation**
- **Public, private**
- **Constituencies (values, needs, expectations)**
- **Commitment (discipline, unit, institution)**
- **Perception, reality**
- **Public responsibilities, focus to achieve excellence**

Planning Assumptions

- 1. The University is a very complex system that is responding to the cumulative effects of its history as well as dynamic boundary conditions. Nevertheless, it is critical that the University continue to take responsibility for its own future.**
- 2. The University of Michigan faces a period of unusual opportunity, responsibility, and challenge in the years ahead, a time in which it must seize control of its own destiny by charting a course to take it into the 21st Century.**
- 3. The challenges before higher education today suggest that a new paradigm of the research university in America is needed. Michigan is in an excellent position to develop this model for the nation.**

The Objective: Leadership

The challenges before higher education today:

- **the costs of excellence**
- **the changing roles of the research university**
- **the tensions of relating to diverse constituencies**
- **diversity and pluralism, unity and community**
- **intellectual renewal**

suggest the need for a new paradigm of the research university in America--and the opportunity for the University of Michigan to play a key role in determining this new paradigm for the "University of the 21st Century".

Who is our competition?

1. The Leading Public Institutions?

UC-Berkeley, UCLA, UCSF, UCSD???

Big Ten (Illinois, Wisconsin, Indiana,...)

Sunbelt: UNC, UVa, Texas,

2. The Leading Private Institutions?

Leaders: Harvard, Stanford

Smaller "Ivys": Yale, Princeton, Columbia, Chicago, Duke

Comprehensive: Cornell, Penn, Northwestern,...

Special Focus: MIT, Caltech

Who will determine the paradigm?

Stanford???
Cornell???

Michigan???
UCLA???

Why Michigan???

- 1. Our "Heritage of Leadership" as the flagship of public universities in America**
- 2. The present quality of our students, faculty, and staff**
- 3. Our unusual combination of quality, breadth, and size**
- 4. Unusual opportunities for attracting resources from the public and private sectors ("a well-balanced portfolio...")**
- 5. Our unusual ability to control our own destiny**
- 6. Our unusual character which combines:**
 - the focused quality of the most selective private institutions**
 - the diversity, openness, and breadth of academic and professional disciplines characteristic of the best public institutions**

A Heritage of Leadership

In the 1840s and 1850s, the University of Michigan provided leadership in laying the foundation for the modern research university by fusing:

- **the German tradition of faculty involvement in research**
- **the classical British education stressing moral development**

Michigan was the first public university to introduce professional education (e.g., Medicine in 1850, Engineering in 1854, and Law in 1859)

Michigan, through the leadership of Angell, departed from the elitist tradition of private institutions by providing quality education to students from all backgrounds--"an uncommon education for the common man".

Other UM Firsts

- **Geology (1853)**
- **Civil Engineering (1853)**
- **Modern History (1857)**
- **American Literature (1867)**
- **Pharmacy (1868)**
- **To own and operate a hospital (1869)**
- **Education (1879)**
- **Forestry (1881)**
- **Sanitary Science (1883)**
- **Marine Design (1883)**
- **Speech (1886)**
- **Bacteriology (1889)**
- **Journalism (1890)**
- **Automotive Engineering (1913)**
- **Aeronautical Engineering (1913)**
- **Public Health (1915)**
- **Transportation Engineering (1922)**
- **Data Processing (1929)**
- **Modern Linguistics (1941)**
- **Phoenix Project (1948)**
- **Nuclear Engineering (1952)**
- **Engineering Meteorology (1959)**
- **Computer Engineering**

(...and first to win a Rose Bowl and national basketball championship in the same year!!!)

Role of the University Leadership

- **In an institution of the size, complexity, and tradition of the University of Michigan, the central administration has limited capacity to define, redirect, or reorder the priorities of the University.**
- **The articulation and achievement of any mission must be a communal effort. It will rest with faculty groups in and across schools and colleges; with students inside and outside their formal organizations; with professional and other staff throughout the University.**
- **Hence the role of the leadership of the University is simply to generate the debate, and then to provide resources for continuous experimentation.**



**The University
of the
21st Century**

Strategic Themes

General Themes:

- "a heritage of leadership"
- "re-inventing the university for the 21st Century"

Challenges before America:

- pluralism and diversity
- internationalization
- the age of knowledge

Challenges before the University:

- challenge of change
- commitment to excellence
- fundamental values
- sense of community

The Challenge of Change

Driving Forces of 1990s

- Diversity & Pluralism
- Globalization
- Age of Knowledge



The University
of the
20th Century

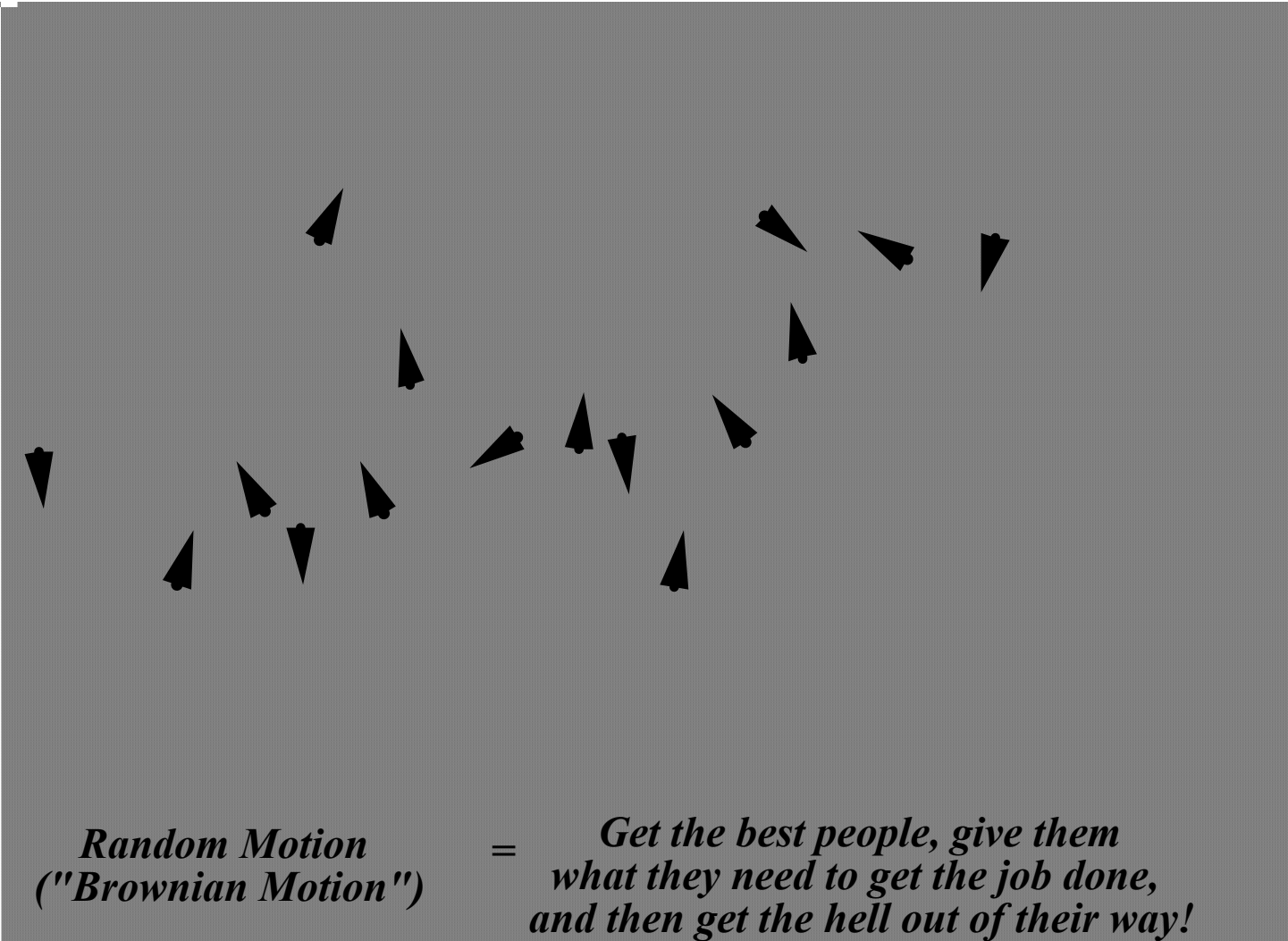
Change

The University
of the
21st Century

The Foundation for Change

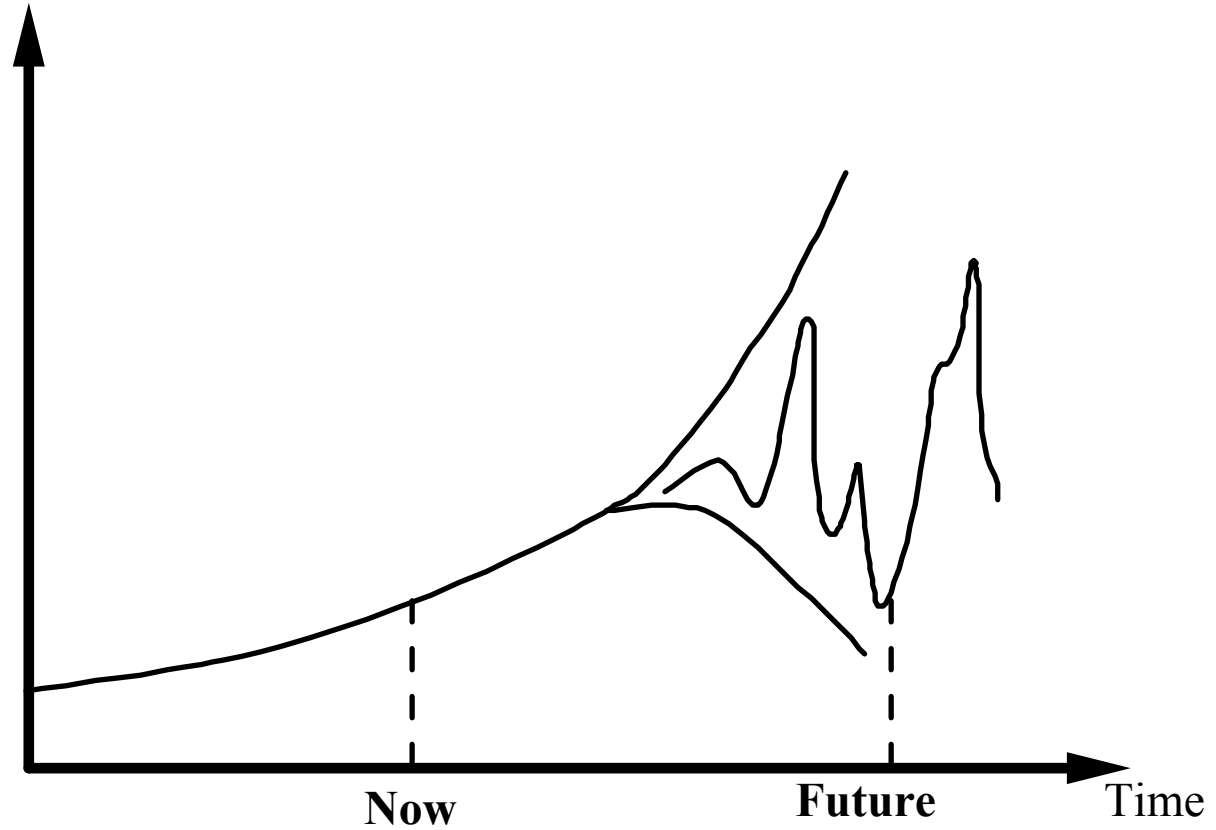
- Commitment to Excellence
- Fundamental Values
- Sense of Community
- Daring and Risk-Taking

Institutional Evolution



A Graphical Depiction of the Change Process

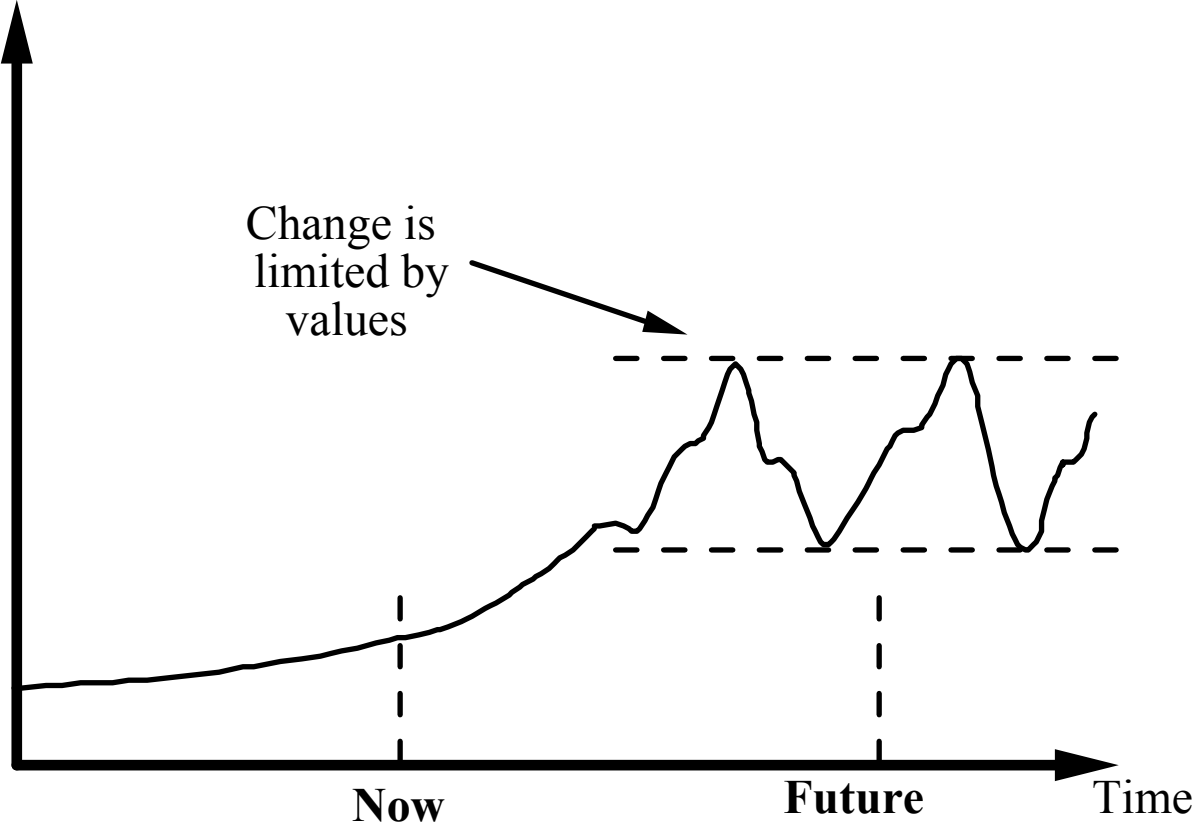
Whatever
is
changing...



Limits to the Process of Change

Whatever
is
changing...

Change is
limited by
values



Constraints

- 1. The costs of excellence**
- 2. Relationships with various constituencies**
- 3. Structural issues**
- 4. Intellectual issues**
- 5. Political issues**
- 6. Control of the agenda**

1. The Costs of Excellence

- **The costs of excellence will increase faster than the resources available to most institutions.**
- **Most will be faced with making the transition from three decades of growth to the no-growth era of the 1980s and beyond.**
- **More and more institutions will compete for fixed or declining pool of funds, students, and faculty candidates.**
- **There will likely be a shakeout in which those institutions which have already achieved a critical mass of excellence--and have the determination and capacity to sustain it--will draw the best from the available resources and accelerate away from the pack, leaving the rest to compete for a declining resource base.**

**Principal force driving up costs
in higher education:**

Competition

...for the best faculty

...for the best students

...for the best programs

...for private resources

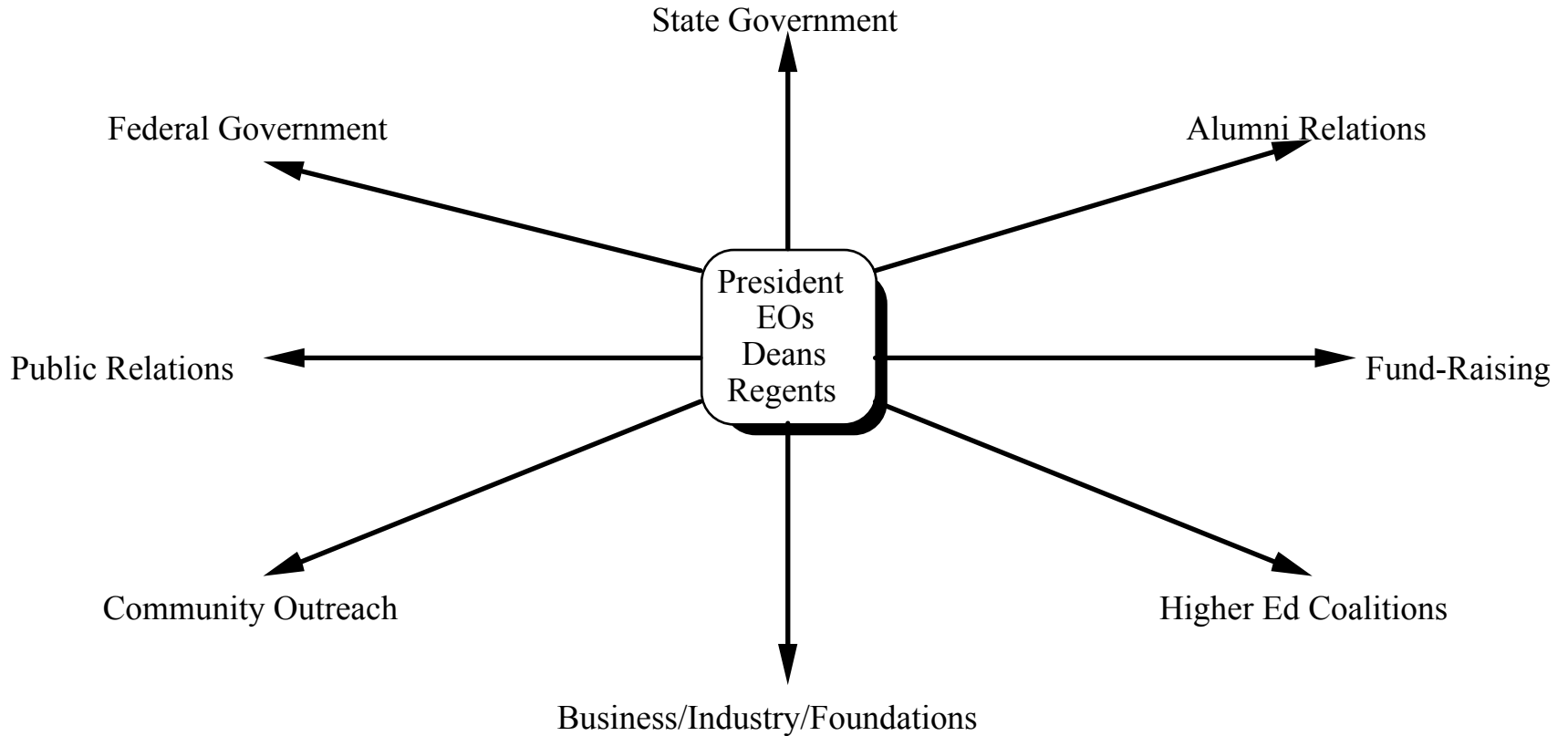
...for public resources

To be the best...

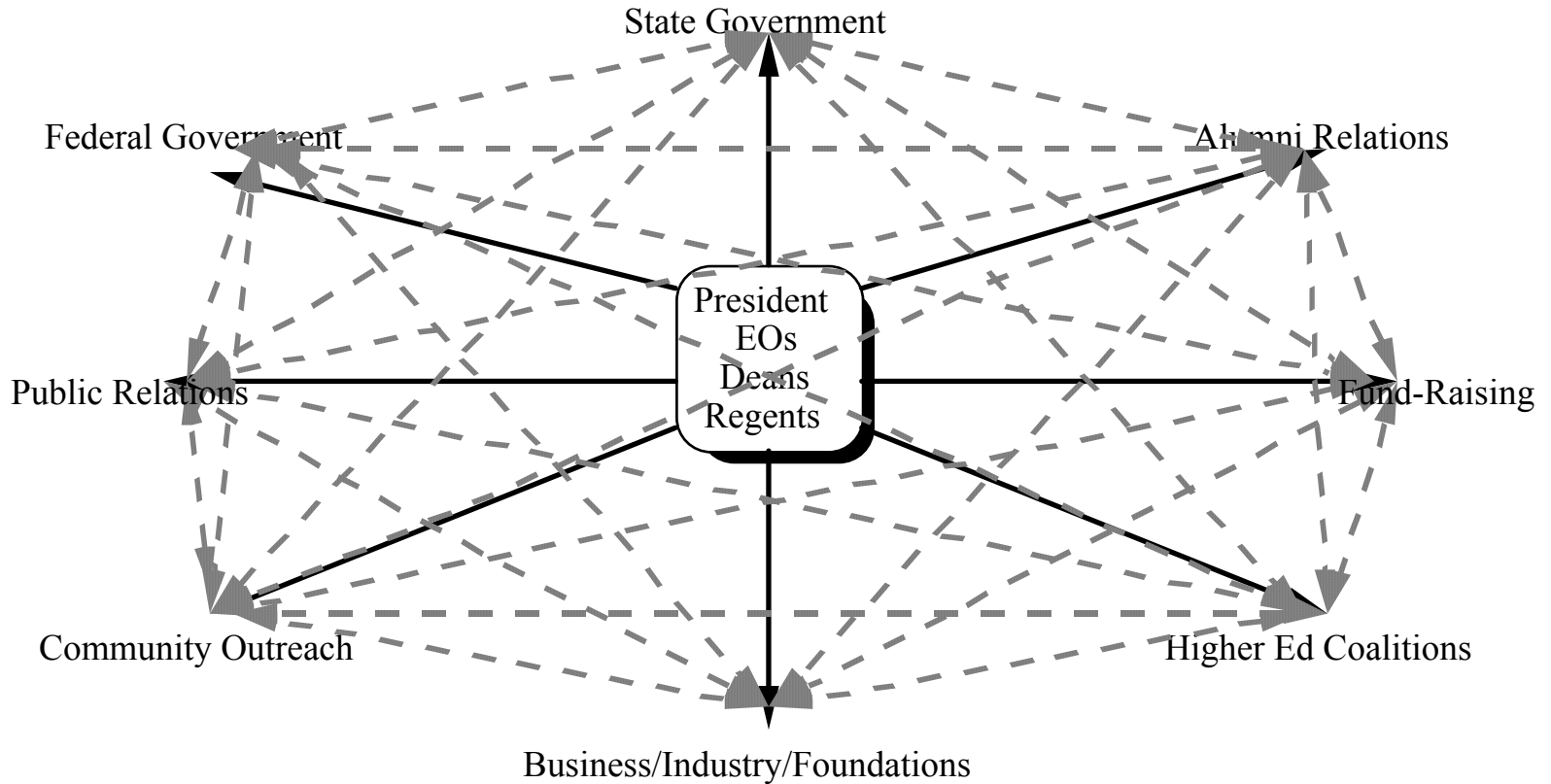
2. Relationships with Various Constituencies

- **The modern research university must deal with and respond to many constituencies: students and parents; the public at large; local, state, and federal government; business, industry, and labor; internal constituencies such as students, faculty, staff, governing boards...**
- **The challenge of responding to the diversity--indeed, incompatibility--of the values, needs, and expectations of these various constituencies**
- **The tension between such responsiveness and the university's role as an independent and responsible critic of society**

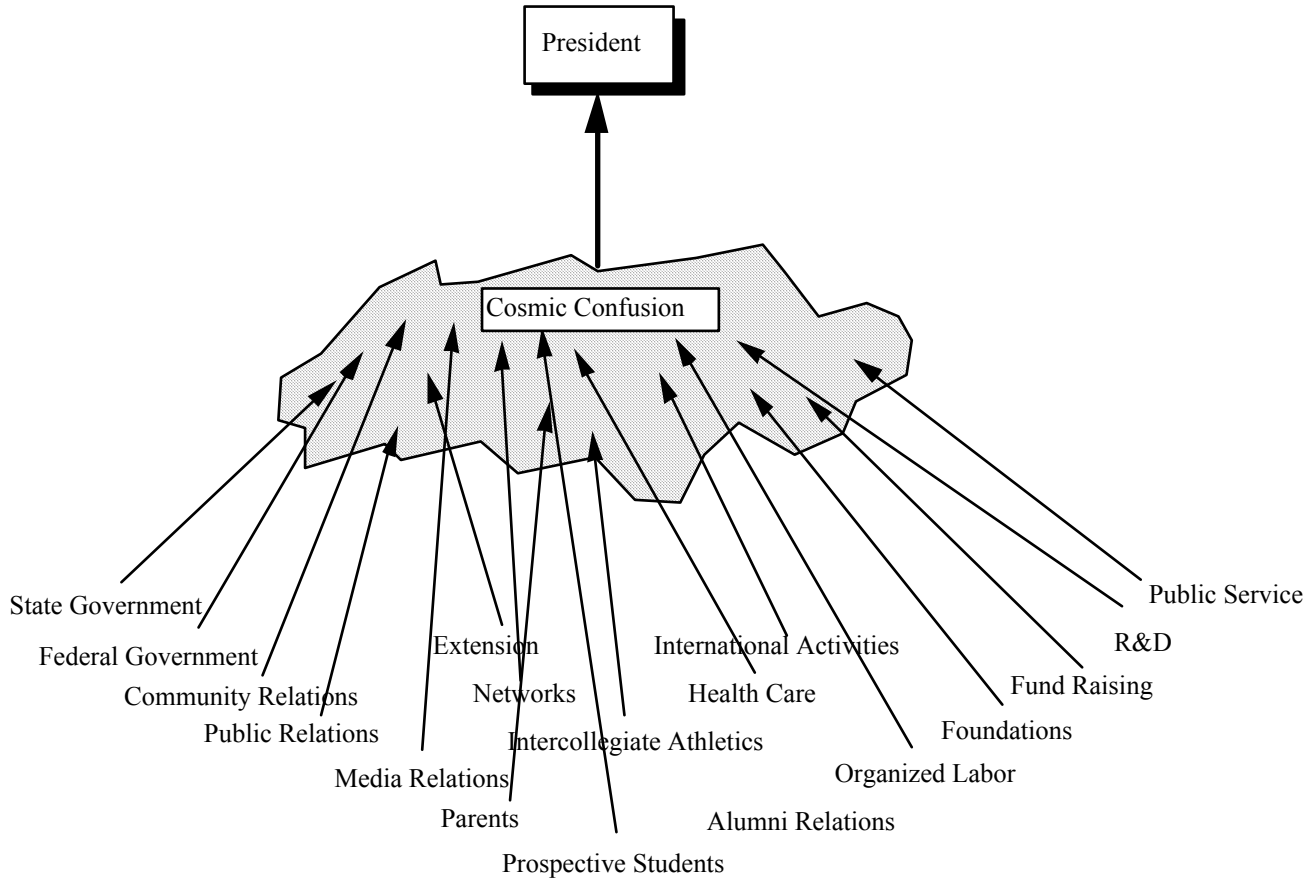
The Constellation of External Interactions



Linkages



Cosmic Confusion



3. Structural Issues

Is the present highly decentralized structure of the University really appropriate for its future?

Although this facilitates the optimization of each of its units, it does not optimize the University as a whole.

Hence, the University of the 21st Century may require some evolution in organizational (and intellectual) structure.



Note: While each subcomponent can be optimized separately, the overall systems can only be optimized by adding linkages.

4. Intellectual Issues

- **The nature and importance of a liberal education...**
- **The balance between the disciplines and interdisciplinary teaching and scholarship...**
- **The balance between continuity and change, tradition and renewal...**

An Observation

It may be that the most significant challenges facing higher education today are not the tangible external issues such as resources or public perception, but rather the need to understand better and gain broader consensus about the central goals and beliefs that guide decisions about the university.

If so, then the intellectual and emotional renewal of the role, mission, values, and goals of the university may be the key challenge before us.

Changing the "Corporate Culture"

Constants of the Motion:

**Excellence
Academic Values
Key Michigan Traditions**

Changes:

**More of a sense of community
More "customer focus"
More daring and venturesomeness
More respect for pluralism and diversity
More interdisciplinary intellectual activities
More of a long term, strategic focus**

5. Political Issues

External politics:

- **Threats to autonomy by state government**
- **Public confidence in higher education ("Profscam")**
- **Unwillingness to invest in the future**

Internal politics:

- **Rising student activism**
- **The politics of pluralism**
- **Faculty concerns in the "multiversity"**

6. Controlling the Agenda

How do we keep our eye on the ball and control the agenda in the face of the day-to-day crises and disruptions that inevitably occur in complex organizations such as universities?

How do we involve the university community in strategic themes?

How do we maintain consistency and focus of the themes?

Are there tensions among the themes?

Tensions

What has kept me at UM for 20 years...

- **Zingermanns, Village Corner, Big Ten Party Store**
- **School of Music and the University Musical Society**
- **Great jogging trails**
- **Intercollegiate Athletics (Bo, Steve, & all the gang)**
- **Ann Arbor**
- **A Close-By International Airport**

What really pisses me off...

- **Northwest Airlines**
- **Trash on the Diag (poster mania...)**
- **The Michigan Daily**
- **Public Beatings by State Politicians**
- **When the students come back and clog up the streets...**
- **Traffic on Football Saturdays**
- **Michigan Weather**
- **Rowdy students**
- **Greedy faculty**
- **Bureaucratic administrators**

Good Stuff

1. UM Heritage of Leadership

- **Flagship of public higher education in America**
- **UM as bridge between public and private education**
- **UM visibility**

2. UM Characteristics

- **Extraordinary combination of quality, breadth, & size**
- **Decentralized structure**
- **Liberal spirit, activism, progressive vision**
- **Best of both public and private worlds**

3. Extraordinary extracurricular activities

- **Performing arts (Music School, UMS,...)**
- **Intercollegiate Athletics**
- **Cosmopolitan nature of Ann Arbor**

Good Stuff (continued)

4. Location

- Ann Arbor (prototype of the "academic womb" community)
- Heartland of America (midwestern values)

5. Opportunities for Leadership

- High quality of students, faculty, and staff
- Well-balanced resource portfolio
- Unusual ability to control our own destiny
- UM's ability to create the "University of the 21st Century"

Stanford???
Cornell???

Michigan???
UCLA???

Bad Stuff

1. Lack of pride in (or loyalty to) the University

- **On the part of students, faculty, staff, and alumni**
- **Willingness to "trash" UM for personal gain**
- **Lack of respect for physical environment**
- **Taking UM for granted ("those rich, arrogant bastards"...)**

2. Political environment

- **Weakness of political representation (state, federal)**
- **Assaults on autonomy from public and private sectors**
- **Loss of public confidence in higher education (Profscam)**
- **Unwillingness to make public or private investments in future**

3. Location in "Industrial Midwest"

- **Blue-collar mentality, "what's in it for me" greed of upper class**
- **Extraordinary intolerance of extreme excellence**
- **Loss of sense of stewardship, concern for others**
- **Oh, yes,...the weather...**

Bad Stuff (continued)

4. University "Culture"

- **Lack of understanding of and commitment to...**
 - ...fundamental academic values
 - ...important Michigan traditions
 - ...diversity & pluralism with unity & community
- **Absence of sense of community**
 - ...Lack of community values on part of students
 - ...Faculty loyalties to disciplines rather than University
- **Misdirected student activism**
 - ...Tendency to protest rather than taking personal responsibility
 - ...Politics of pluralism
 - ...Majority apathy leading to tyranny by the minority
- **Resistance to change**
 - ...Inertia ("change" is a four-letter word)
 - ...Lack of daring, venturesomeness, risk-taking
- **"5th" ism;**
 - ...Is simply "being good"...good enough?
 - ...Unwillingness to try to be the best...
 - ...laid-back pace: UM is nice place to "enjoy" an academic career
 - ...Many (most???) students are not academically challenged
 - ...Intolerance of "movers and shakers", "essential singularities"

Bad Stuff (continued)

4. University "Culture" (continued)

- **Absence of a true "customer focus" on part of faculty and staff**
- **Inadequate knowledge of and respect for University traditions**
- **Lack of challenging and exciting intellectual environment**
 - ...particularly at undergraduate level
 - ...but also across University and throughout community
- **Lack of strategic focus**
 - ...become too preoccupied with immediate or near term
 - ...have trouble keeping eye on ball
 - ...frequently lose control of agenda

5. University "Character"

- **Complexity (probably most complex campus in America)**
- **Highly decentralized organizational structure (coordination)**
- **Size (and hence inertia)**
- **Extraordinary diversity of constituencies relating to UM**
- **Undergraduate student body**
 - ...either all work or all play
- **Resouces**
 - ...state support inadequate to sustain quality
 - ...difficulty in diversifying and enhancing resource base