

Transforming the University

A Short Course

(continued)

Goals of the Short Course

1. **Build a shared vision and a shared commitment to the actions necessary to move toward this vision.**
2. **Give each of us an opportunity to help shape and refine the Vision 2017 and to participate in the development of the transformation plan.**
3. **To come out of these sessions with a shared and total commitment to this agenda.**

NOTE: All members of this group must be committed both to the vision and the transformation process if it is to succeed.

The Lesson Plan

- 1. An Overview of the Course**
- 2. Consider and assess forces of change**
 - ...nation and world**
 - ...higher education**
 - ...UM specific**
- 3. Examine ways that other institutions are responding, e.g., Ivys, UC, Big Ten**
- 4. Review Vision 2000, 26-Goal Plan, and Michigan Metrics**
- 5. Review Vision 2017 document**
- 6. Review "proto" Transformation Plan**

Required Texts

- "Vision 2017: The Next Century"
 - "Vision 2000: The Leaders and Best..."
 - "The Michigan Metrics Project"
 - "Leadership for the 21st Century: Strategy Planning at UM"
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- "The Challenge for the 1990s: Transforming the University"

Other Reading

- 1. Planning and transformation efforts at other universities**
(Stanford, Harvard, Princeton, UCLA, Ohio State, Tulane...)
- 2. Key position papers**
(Shapiro, Rhodes, Schmitt,...)
- 3. Key national studies**
(PCAST, NSB, GUIRR, ...)

The Mission

Business Line:

Creating, preserving, transmitting, and applying knowledge

Products & Services:

Knowledge and knowledge-intensive services

Educated people with capacity and desire for leadership

Customers:

Primary: society at large

Others: students, patients, agencies,...

Shareholders: state, feds, private sector, public

Market Niche: Leadership!

Vision 2000

Vision 2000: "The Leaders and Best..."

To position the University of Michigan to become the leading university of the 21st Century.

The 26 Goal Plan

Leadership Goals:

- 1. To enhance the quality of all academic programs.**
- 2. To sustain our unusual blend of broad access and high quality.**
- 3. To build more spires of excellence.**
- 4. To achieve more "firsts" for the University.**
- 5. To become the leading research university in the nation.**
- 6. To achieve the objectives of the Michigan Mandate.**
- 7. To make UM the university of choice for women leaders.**
- 8. To develop a new paradigm for undergraduate education.**
- 9. To enhance the quality of the student living/learning environment.**

The 26 Goal Plan (cont.)

Resource Goals:

- 10. To build strong leadership teams for the University.**
- 11. To acquire the resources necessary to compensate for the erosion in state support.**
- 12. To restructure the University to better utilize existing resources.**
- 13. To strengthen our external relationships (state, feds, public).**
- 14. To enhance the quality of institutional advancement activities.**
- 15. To increase private support to exceed state appropriation by 2000.**
- 16. To increase endowment to \$2 B by 2000.**
- 17. To dramatically improve the quality of UM facilities.**

The 26 Goal Plan (cont...)

Trailblazing Goals:

- 18. To restructure the University to better respond to intellectual change.**
- 19. To explore new models of the "university of the 21st century".**
- 20. To position UM as a "world university".**
- 21. To position UM as a possible model of the "electronic university".**
- 22. To make UM a leader in knowledge transfer to society.**
- 23. To make the Ann Arbor area an economic engine for the midwest.**
- 24. To assist in "restructuring" the State of Michigan.**
- 25. To provide leadership in intercollegiate athletics.**
- 26. To build more of a sense of pride in...respect for...excitement about...and loyalty to the University of Michigan!**

Moving Toward Vision 2000

The Historical Model of UM
...unusually large state support
...unusual commitment to excellence
...selective admissions policy
...focussed strength in professional schools
...small commitment to purely state interests
...ranked among best publics (...< UCB)

Themes of Change
...Pluralism and Diversity
...Globalization
...Age of Knowledge
...A Finite World
...Rebuilding America

The Strategy for the 1990s
...Vision 2000
...Mission Leadership
...Evolution of Goals
...Metrics Project

26 Goal Plan

10 Goal Plan

Goals of Leadership

The 1990s Evolution
...state-supported to state related
...1st in nation in research
...moving past UC in quality

|
1980

|
1990

Some Different Paradigms

- the state-related--but world-supported--university
- the world university
- the diverse university (or "trans-versity")
- the cyberspace university
- the creative university
- the divisionless university
- the adult university
- the university college
- the Catholepistemiad
- the "university within the university"
- the "knowledge server"

Values

- Excellence
- Leadership
- Critical and rationale thinking
- Liberal learning
- Diversity
- Caring and concern
- Community
- Excitement

Descriptors

"The leaders and best..."

"An uncommon education for the common man (person)..."

"A broad and liberal spirit..."

"Diverse, yet united in a commitment to academic excellence..."

"A center of critical inquiry and learning..."

"A independent critic and servant of society..."

"A relish for innovation and excitement..."

"Freedom with responsibility for students and faculty..."

"Control of our own destiny comparable to private universities..."

The Fundamentals

Attracting, retaining, and sustaining the most outstanding people (students, faculty, staff)

Achieving, enhancing, and sustaining academic excellence in teaching and scholarship

Optimizing the balance among quality, breadth, scale, excellence, and innovation.

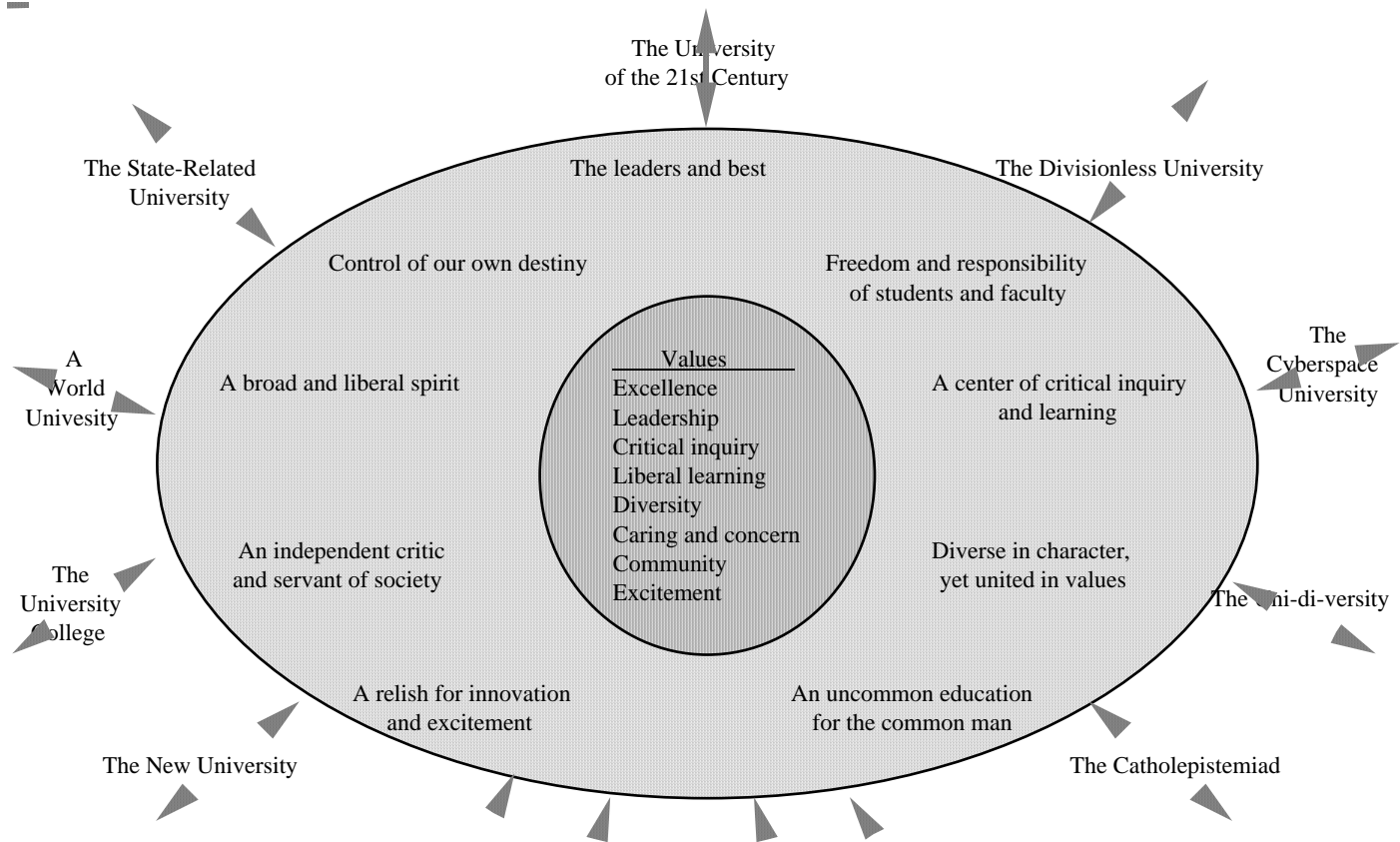
Sufficient autonomy to control our own destiny.

Sustaining the University's role as an independent critic

A diversified resource portfolio, providing a stable flow of resources necessary for leadership and excellence regardless of the ebb and flow of in particular areas (state, federal, private giving...)

Keepin' the joint jumpin'!

Vision 2017



The Fundamentals

- Attracting, retaining, and sustaining outstanding people
- Achieving and enhancing academic excellence
- Optimizing quality, breadth, scale, excellence, and innovation
- Sufficient autonomy to control our own destiny
- A balanced resource portfolio adequate to support excellence
- Keepin' the joint jumpin'

Paradigm Linkages



Questions, Questions, Questions...

- 1. What is the fundamental role of the university in modern society?**
- 2. How does one preserve the public character of an increasingly privately financed university?**
- 3. Should we intensify our commitment to undergraduate education? If so, then how?**
- 4. What is the proper balance between disciplinary and interdisciplinary teaching and scholarship?**
- 5. Does the PhD degree need to be redesigned (or even replaced) to meet the changing needs for advanced education and training?**
- 6. How should we select the next generation of faculty?**
- 7. How do we respond to the deteriorating capacity of the state to support a world-class research university?**

Questions, Questions, Questions...etc.

8. How good should we strive to make our programs?
9. How do we enable the University to respond and flourish during a period of very rapid change?
10. How do we best protect the University's capacity to control its own destiny?
11. Should the University be a leader? If so, then where should it lead?
12. Should our balance of missions shift among
 - ...teaching, research, and service?
 - ...undergraduate, graduate, and professional education?
 - ...serving the state, the nation, and the world?
 - ...creating, preserving, transmitting, and applying knowledge?

Objectives of the Transformation Process

What are we trying to accomplish through the transformation of the University?

- **Move beyond simply positioning the University for leadership by polishing the status quo (essentially the approach of Vision 2000 and the 26 Goal Plan).**
- **Provide the University the capacity to transform itself more radically to respond to a changing world.**

Do we expect to achieve Vision 2017 during our tenure?

No. But we should seek to build the capacity, the energy level, the excitement, and the commitment necessary to enable the University to move toward this vision.

A Particular Challenge

Throughout the past decade, we have tried to make the University of Michigan the finest 20th Century university in the world. In many ways, we have made great progress toward this objective. (Indeed, some would argue we have achieved this goal.)

Yet now we must convince folks that we must turn in new directions, that the "Vision 2000" is no longer adequate, and that we now must transform the university into a form more suited to serving the 21s Century.

Not an easy challenge...as the folks at IBM will tell you...

How have we achieved change in the past?

1. "Buying" change with additional resources.
2. By laboriously building the consensus necessary for grassroots support of change.
3. By changing people in key positions.
4. By finesse... "stealth of night"...
5. "Just doing it"...that is, top-down decisions followed by rapid execution (following the old adage that "It is sometimes better to ask forgiveness than to seek permission.")

The Gutenberg Principle

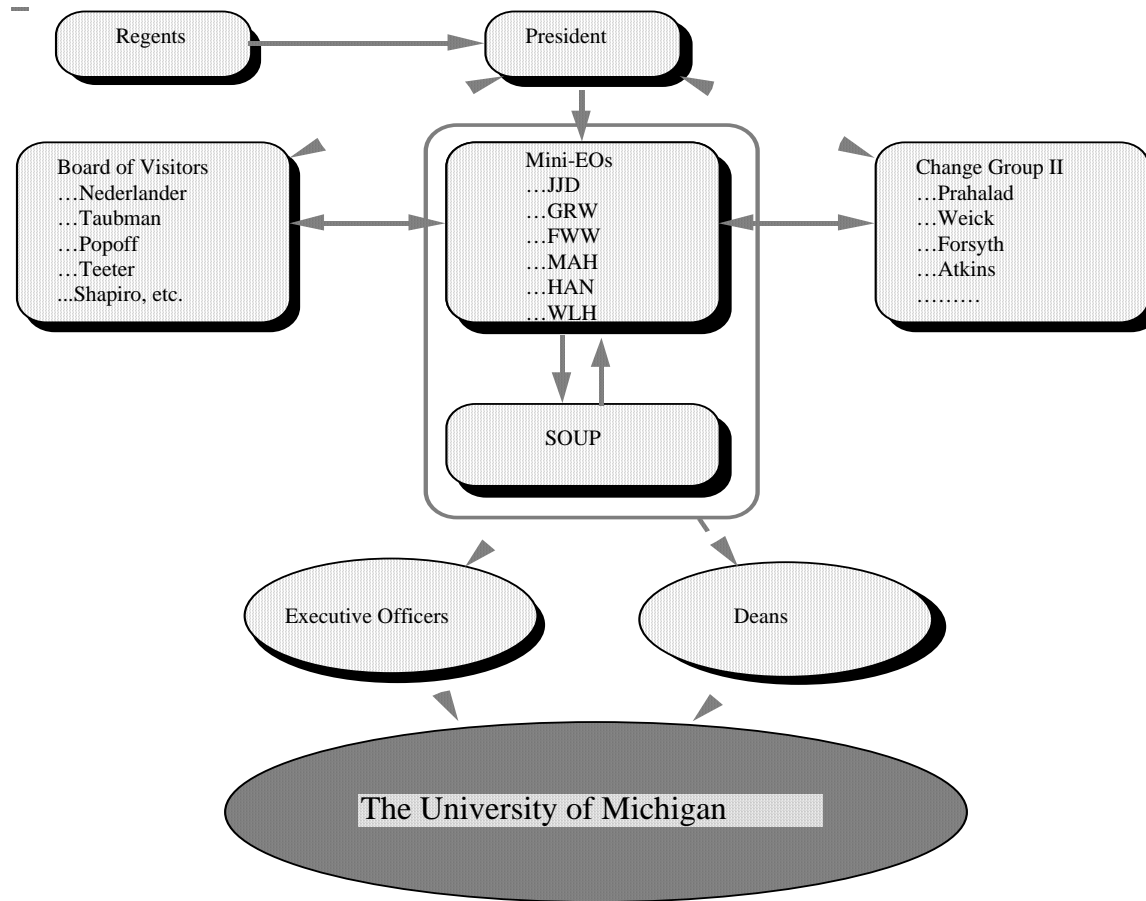
Finding ways to disguise innovation as extrapolation of the existing paradigm to enable it to be accepted in a conservative community.

(E.g., make the first movable type fonts look like the manually produced Bible manuscripts so they would be adopted by the Church...)

Some lessons learned...

- 1. The real challenge of transformation is generally not financial or organizational. It is cultural. We must transform a set of rigid habits of thought and arrangements that are currently incapable of responding to change either rapidly or radically enough.**
- 2. It is important to have true faculty participation in the design and the implementation of the transformation process--through the involvement of the true intellectual leadership of the faculty.**
- 3. It has been found that the use of an external group is helpful in providing credibility to the process.**
- 4. No universities have been able to achieve major change through the motivation of opportunity and excitement alone. It has taken a crisis to get folks to take the transformation seriously.**
- 5. The president must play a critical role both as a leader and as an educator in designing, implementing, and selling the transformation process, particularly with the faculty.**

The Leadership Teams



The EO Transformation Team

Why should this subset of EOs play the key role in leading the transformation process?

- 1. The executive leadership of the University.**
- 2. The leadership of UM-AA.**
- 3. All are proven academics:
...with advanced academic degrees
...with faculty experience**
- 4. All have unusually broad experience in higher education.**
- 5. This group has the best understanding of the nature of the University and the broad range of issues facing higher education during the 1990s and beyond.**

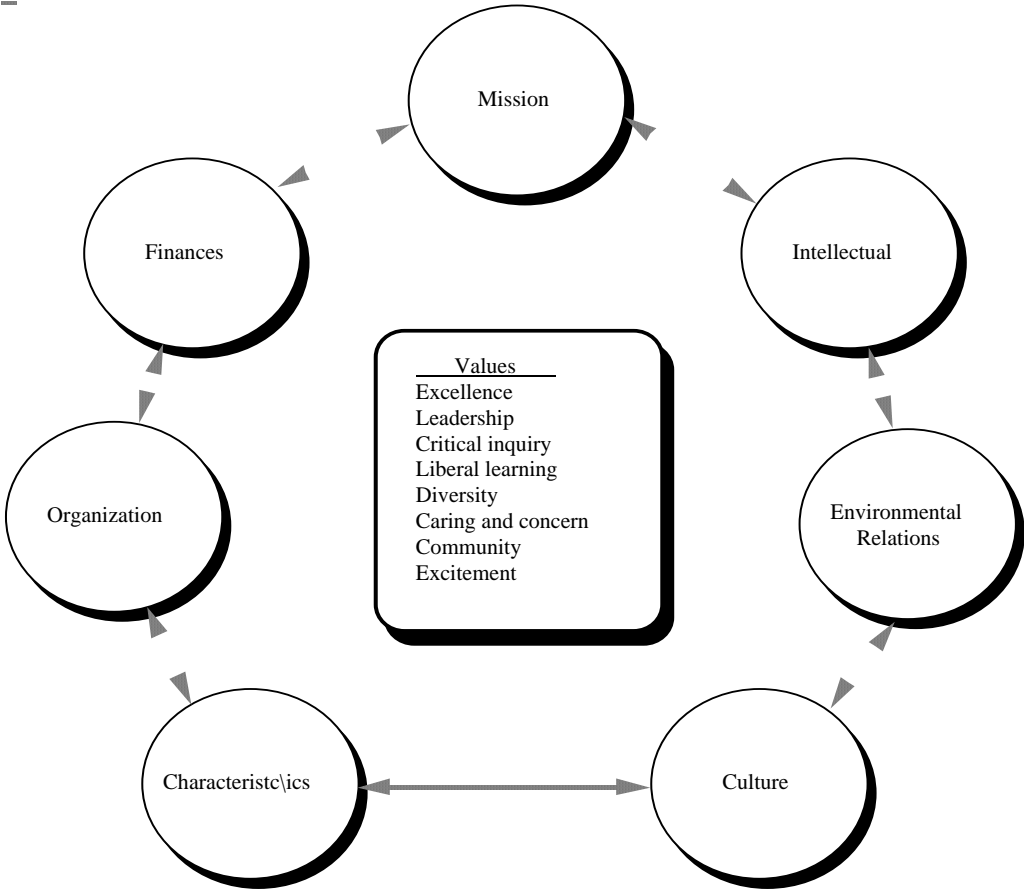
Transformation Diagram



The Areas of Transformation

- 1. The Mission of the University**
- 2. Financial Restructuring**
- 3. Organization and Governance**
- 4. General Characteristics of the University**
- 5. Intellectual Transformation**
- 6. Relations with External Constituencies**
- 7. Cultural Change.**

Transformation Areas



The Approach: Strategic Initiatives

The transformation effort will be organized into a series of parallel strategic initiatives or thrusts, each designed to be

- self-contained**
- a clearly-defined rationale**
- specific objectives**

The trick will be to select, execute, and coordinate these strategic initiatives so that they enable the University to transform itself and allow the major paradigm shifts suggested in Vision 2017.

Strategic Thrusts



Actions and Magic Bullets



Character and Mission

- **State-supported to state-related**
- **State to national to world university**
- **UM-D, UM-F, UMMA, UMAA relationships**
- **Securing and protecting UM autonomy**
- **New market strategies**
- **K-12, adult education, distance learning**
- **UM as supplier of educational resources**

Financial Restructuring

- **Cost/market based pricing (tuition and fees)**
- **Diversifying education products**
...(e.g., resident, commuter, distance learning...)
- **ETOB, "Partnership" resource allocation**
- **Shifting away from fund-accounting in management**
- **Restructuring staff benefits**
- **Capturing "venture capital" funds**
- **Filling underutilized capacity**
- **Re-centralization**
...Billet control
...Major reallocation (including discontinuance)
- **Resource development and flexibility**

Some Tough Questions: Finance

- 1. For the near term there appear to be only two opportunities for significant revenue growth:**
 - tuition revenue**
 - auxiliary revenue****How do we tap these?**
- 2. Is it possible to achieve the "30/30-->40/40-->50/50" tuition/enrollment strategy?**
- 3. How do we move toward a cost/market-driven tuition and financial aid model?**
- 4. Should we move ahead rapidly to implement the "Partnership" financing model?**
- 5. Can we develop and implement alternative policies for non-degree granting units (e.g., "sunset" provisions)?**

Some Tough Questions: Finance-2

- 6. What is the appropriate level of funding needed for investing in new opportunities? 2% per year? 5% per year? Where do we get these resources?**
- 7. How do we deal with the rapidly escalating costs of benefits?**
 - Flexible benefits**
 - Post-retirement health care**
 - Elimination of mandatory retirement caps**
- 8. Can we shift more support units to "OEM" status, requiring them to compete with outsourcing?**
- 9. How can we develop more flexible personal policies for BOTH faculty and staff?**
- 10. How can we do a better job both of understanding our own operations and benchmarking our activities and costs against those of institutions of comparable scale and complexity?**

Organization and Governance

- Overhauling process and policies to allow change
- Next generation leadership project
- EO restructuring
- Administrative restructuring
 - ...Removing middle management layers
 - ...Rightsizing units
 - ...Restructuring personnel policies
- Matrix structures
 - ...School and college affinity clusters
 - ...University-wide research projects
 - ...Virtual structures (Media Union, Gateway Campus)
- Re-engineering with information technology

Some Tough Questions: Organization

- 1. Do we need to reorganize executive officer responsibilities and functions to better lead the transformation effort?**
- 2. Can we remove the constraints on the way we organize our academic programs (e.g., internal program discontinuance policies or accreditation requirements)?**
- 3. How can we streamline management and remove unnecessary management layers and positions? Can we develop more flexible personnel policies which will allow us to make the necessary changes?**
- 4. Can we "re-engineer" more of the activities of the University using information technology?**
- 5. How might we achieve a "clean sheet" reorganization of the University?**

Present Roles of Executive Officers

Executive Officers

President

Provost

VPCFO

VP-Research

VP-Students

VP-External Relations

VP-Development

VP-Secretary

VPr-Health Affairs

VPr-Multicultural Affairs

VPr-Info Tech

VPr-Acad Affairs

Ch-UMD

Ch-UMF

Functions

Regent Relations

Intellectual Leadership

Academic Units

Budget

Planning

Academic Services

Business and Finance

Physical Plant

Personnel

Research Environment

Research Activity

Knowledge Transfer

Student Services

Student Life

State Relations

Federal Relations

Community Relations

Public Relations

FundRaising

Internal Communication

Medical Center

Information Technology

Diversity Agenda

Undergraduate Education

Graduate Education

Professional Education

Public Service

Regional Campuses

...



New Roles of Executive Officers

Executive Officers

Functions

Strategic Thrusts

President

Regent Relations
Intellectual Leadership

The Michigan Mandate
The Michigan Agenda

Provost

Academic Units

Financial Restructuring

VPCFO

Budget

Asset Management

VP-Research

Planning

M-Quality

Academic Services

Campus Evolution

Business and Finance

Intellectual Restructuring

Physical Plant

Research Environment

VP-Students

Personnel

Superstar Project

Research Environment

The University College

VP-External Relations

Research Activity

Student Living/Learning

Knowledge Transfer

Cultural Change

VP-Development

Student Services

Leadership Building

Student Life

Human Resource

VP-Secretary

State Relations

Development

VPr-Health Affairs

Federal Relations

Community Building

Community Relations

Strategic Marketing

VPr-Multicultural Affairs

Public Relations

The Electronic University

FundRaising

The World University

VPr-Info Tech

Internal Communication

University Enterprise

Medical Center

Zones

VPr-Acad Affairs

Information Technology

Community Relations

Diversity Agenda

State Relations

Undergraduate Education

Federal Relations

Ch-UMD

Graduate Education

Alumni Relations

Professional Education

Ch-UMF

Public Service

Regional Campuses

...

An Alternative Taxonomy

Current Taxonomy

LS&A
...Humanities
...Social Sciences
...Natural Sciences
Analytical Professions
...Business
...Law
...Engineering
...Architecture
Social Professions
...Education
...Social Work
...Library Science
...Public Policy
...Natural Resources
Health Professions
...Medicine
...Nursing
...Dentistry
...Public Health
...Pharmacy
Arts
...Music
...Art
...Museums

Alternative Taxonomy

University College
School of Arts and Letters
...Humanities
...Fine Arts
...Performing Arts
...Museums, Halls, Theatres
School of Science and Engineering
...Natural Sciences
...Engineering
...Architecture
School of Social Sciences and Policy
...Social Sciences
...Social Work
...Public Policy
...Natural Resources
Division of Health Sciences
...Medicine
...Nursing
...Dentistry
...Public Health
...Pharmacy
Professional Schools
...Law
...Business Administration
...Knowledge Administration (SILS)
...Education

Characteristics

- **The Michigan Mandate**
- **The Michigan Agenda for Women**
- **Internationalization of UMAA**
- **UMAA characteristics**
 - ...enrollments
 - ...program mix
 - ...campus evolution
- **UMD, UMF trajectories**
- **New market strategies**

Some Tough Questions: Characteristics

- 1. What is the appropriate size of the Ann Arbor campus?**
- 2. Do we need to make major changes in the distribution of enrollments among undergraduate, graduate, and professional programs?**
- 3. What is the appropriate trajectory for the UMD and UMF campuses?**
- 4. Do we need to develop new markets? (E.g., distance learning)**

Intellectual Restructuring

- **Reduce specialization**
 - ...Reduce number of courses
 - ...Core UG curriculum for all majors (Gateway Campus?)
 - ...Merging of overly-specialized graduate programs
- **Restructuring of PhD degree**
- **"Research Applied to National Needs" Projects**
- **Major integrative complexes**
 - ...ITIC, Gateway Campus
- **Faculty roles**
 - ...University Professors, tenure-->contracts,...
- **The New University**

Some Tough Questions: Intellectual

- 1. How can we dramatically reduce the degree of specialization in our academic programs?**
- 2. Do we need to achieve a major paradigm shift in the nature of undergraduate education? If so, then how do we go about this?**
- 3. Do we need to achieve a major paradigm shift in the nature of graduate education? If so, then how do we go about this?**
- 4. What about a conscious effort to move to more non-degree instruction (e.g., "just-in-time" learning)?**
- 5. How do we better enable the University to undergo vigorous intellectual change--led by our strongest faculty?**
- 6. Should we embark on a series of University-wide research efforts aimed at the great challenges facing contemporary society (e.g., global change, K-12 education, urban studies...)?**

External Relations

- Rebuild state relations function
- Augment statewide outreach with sustained polling
- Develop a more strategic approach to Washington
- Community campaign
- Rebuild Development leadership
- International strategies

Some Tough Questions: External Relations

- 1. Should we develop more of a marketing approach to community and state relations? If so, then how?**
- 2. How do we develop a more strategic approach to federal relations?**
- 3. Is there a need to better integrate the activities of the UM Alumni Association with the University?**
- 4. Should we develop key international focal points for outreach, e.g., Hong Kong, Tokyo, London, Berlin?**
- 5. How do we couple our external relations activities with a strategic internal communications effort?**

Cultural Issues

- **Faculty responsibility and accountability**
 - ...Faculty governance
 - ...Undergraduate education
- **Faculty and staff productivity**
 - ...Workload balancing
 - ...Career development
- **Incentives**
 - ...Compensation
 - ...Awards, honors
- **Streamlining the decision and execution process**
- **Services as OEMs, outsourcing**
- **Entrepreneurial incentives**
- **Risk-taking, fault tolerance**

Some Tough Questions: Cultural

- 1. How do we change the faculty culture to achieve:**
 - greater accountability and responsibility?**
 - greater loyalty to the University?**
 - broader intellectual teaching and scholarship?**
 - more risk-taking and innovation?**
- 2. How do we empower our best faculty to play more significant roles in the future evolution of the University?**
- 3. How can we overcome the inertia of the status quo and consensus to provide the University with the capacity to make and execute decisions rapidly enough to respond to the changing needs of society?**
- 4. How do we distinguish between the "academic" culture characterizing faculty and students and the "professional" culture characterizing staff?**
- 5. How do we build a culture of tolerance and respect that values diversity on our campuses?**

Some Tough Questions: General

- 1. How do we make the case to the University community--and our various external constituencies--that rapid and profound change is necessary? How do we create the necessary sense of urgency, along with the sense of confidence and excitement that makes dramatic change possible?**
- 2. How dramatic and rapid does our transformation effort need to be? Is it evolution ("extrapolation") or revolution ("innovation")?**
- 3. Are we getting the right people in key leadership positions to understand and execute the transformation process?**
- 4. What role should the Deans play? What about the Regents?**
- 5. How do we handle large units that will be particularly resistive to change? (LS&A? Engineering? Law?)**
- 6. How do we balance the University's tradition of decentralization and unit autonomy with the need to achieve institution-wide transformation?**

Steps in the Transformation Process

- 1. Build a shared vision among the Executive Officers**
- 2. Augment the EO Team with selected deans and directors**
- 3. Involve the Regents in the transformation effort**
- 4. Creation of advisory groups**
- 5. Implementation of strategic communications efforts**
- 6. Launching Presidential Commissions**
- 7. Igniting the sparks of transformation**
- 8. Streamlining process and procedure**
- 9. The identification and activation of change agents**
- 10. Selecting leadership for a period of change**

Supporting Needs

- 1. The President's Vision**
- 2. Strategic Communications/Marketing Efforts**
- 3. Benchmarking and Assessment**

Some Tough Questions: Supporting Activities

- 1. Is the President's "Vision" (e.g., the evolution of Vision 2000, Vision 2017, and the Transformation Plan)
...exciting, compelling?
...realistic?
...too complex?
...too comprehensive?**
- 2. How important--and urgent--is it that we design and implement a strategic internal communications/marketing plan in support of this agenda? How do we go about doing this?**
- 3. How do we resist the UM tendency toward rejecting anything "not invented here"?**
- 4. How do we neutralize the "threats" of the moment to allow such a strategic effort?
...media manipulation (e.g., OMA, FIOA)
...faculty resistance to change (SACUA, etc.)
...brush fires (e.g., athletics, PC, salaries,...)**

Transformation Actions

