

Leadership for the 21st Century

The Plan for the 1990s

The vision

...the mission

...and the goals

Vision - 2000

Vision Statement:

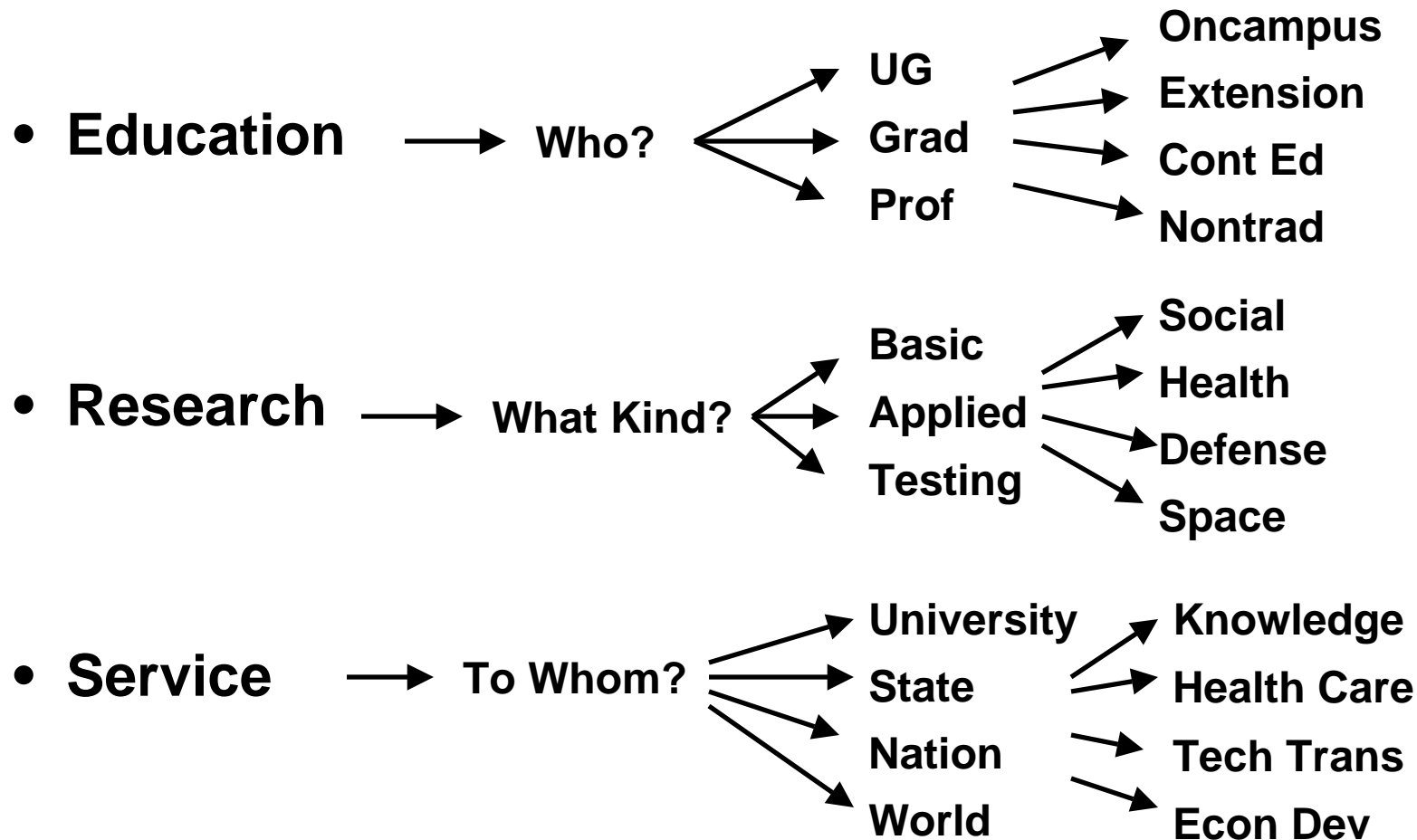
To position the University of Michigan to become the leading university of the 21st Century.

What Is Leadership?

- **What is leadership?**
 - ...to lead the way
 - ...to set the pace
 - ...to become the standard used to measure others
- **Leadership determines the University of Michigan's impact on**
 - ...society, the state, the nation, and the world
- **Leadership is determined by:**

Quality x Quantity x Breadth x Excellence x Innovation

What is our mission?



The Mission

Business Line:

Creating, preserving, transmitting 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!

The Strategy

The Strategy for the 1990s

- 1. To articulate a compelling vision of the University for the 21st Century.**
- 2. To implement a flexible, adaptive planning process that responds to--and sometimes modifies--the rapidly changing environment in which the University must function.**
- 3. To utilize a planning process of "logical incrementalism" that engages the University community--and various constituencies beyond the campus--to help shape and refine the actions, objectives, and goals necessary to achieve the vision.**

Why bother?

1. All too often the University has tended to *respond* to external pressures and opportunities rather than taking strong actions to determine and pursue its own objectives.
2. We must counter the tendency to become preoccupied with *process* rather than *objectives*...with *how* rather than *what*...
3. To seize the opportunities, to face the responsibilities, and to meet the challenges before us, the University must initiate a process capable of determining both a direction and a strategy capable of guiding it into the 21st Century.

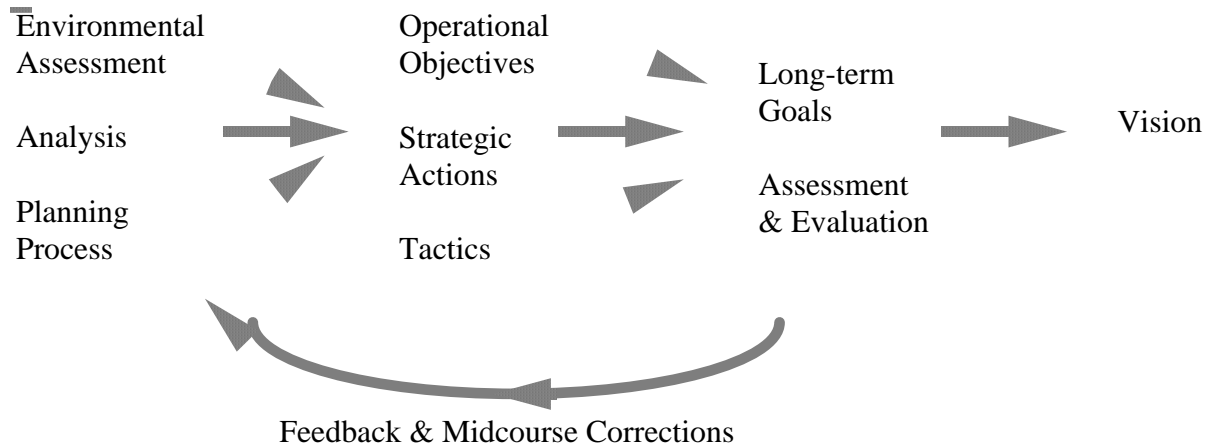
Planning Assumptions

- 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 Strategic Planning Process

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

The Evolution of Plans, Objectives, and Goals

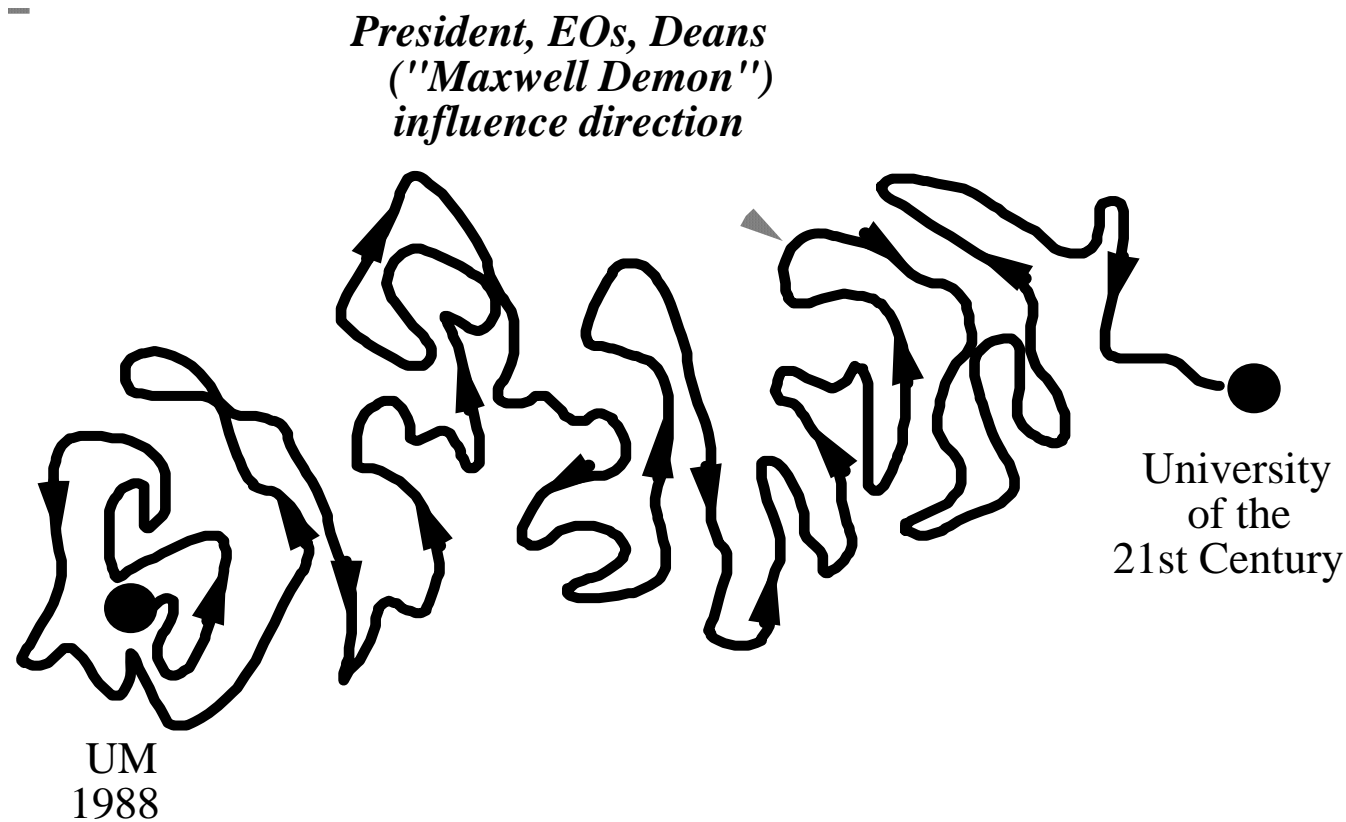


NOTE: During a period of rapid, unpredictable change, the specific plan is of far less importance than the planning process itself. Put another way, we seek an "adaptive planning process" appropriate for a rapidly changing environment

Approach: Logical Incrementalism

- **Set out a clear vision, but very broad and intentionally vague goals and objectives (e.g., "excellence", "diversity", "community").**
- **Engage organization in helping to refine goals and develop strategic plans and operational objectives aimed at achieving them.**
- **Select only those goals (actions and objectives) and opportunities that move toward vision.**

Institutional Evolution



The Strategic Planning Process



- 1. Mission, Goals, Values, Priorities**
- 2. Environmental Assessment**
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Objective 1: Institutional Leadership

Premise: Recall 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**
- **intellectual renewal**

These 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 paradigm of the 21st Century research university.

A New Paradigm for the Research University

- 1. Capable of responding to the opportunities, responsibilities, and challenges before higher education**
- 2. Capable of addressing in new ways the needs of our society by linking and balancing the various missions of the research university:**
 - teaching, research, and service**
 - quality, breadth, and size**
 - undergraduate, graduate, and professional education**
- 3. Capable of responding to the challenge of pluralism by linking together the complementary objectives of cultural diversity and academic excellence**
- 4. Capable of linking together the many concerns and differing values of the diverse constituencies served by higher education**
- 5. Capable of producing graduates who are competent and committed, creative and compassionate**

1890

The Situation

- fewer refrigerators than cars
- less than 25% of homes had indoor plumbing
- less than 10% graduated from HS
- still an agrarian society
- university as an intellectually coherent community of shared values and responsibilities

Things Happening

- industrial revolution was taking hold
- colonial colleges were about to awake
- landgrant colleges were being mobilized
- faculty leadership was stirring
- foundations for research university were being laid

30 Year Time Frame

- massive growth in enrollments, degrees
- evolution of open merit-based institutions
- teaching research service conglomerates
- broad portfolio of teaching at UG, grad, prof level
- shift from transmission to search for knowledge
- importance of government patronage
- research library

1945

The Situation

- universities emerging from depression and WWII
- Ivys still elitist
- few world-class public institutions

Things Happening

- returning veterans
- booming economy
- role of university in national defense

30 Year Time Frame

- age profile of population and faculty
- distribution of enrollments between publics and privates
- importance of federal government financing
- geographic distribution of students and institutions
- spectrum of scientific and scholarly opportunities
- nature and extent of public relations
- public attitude toward higher education

1990

The Situation

- US universities are best in the world...best financed, most respected
- 1980s have been a period of stability...stable enrollments, modest growth in faculty, stable federal aid
- expenditures per faculty (and student) have been rising continuously
- massive proliferation of research universities (with even more aspiring to this status)

Things Happening

- chronic perceived shortage of resources
- public concern about cost and price of education
- perceived unpredictability of resource flow
- rigidity of disciplinary structure
- difficulty in reaching agreement on evaluation standards
- shift away from UG to grad/prof and research
- short time frame between basic research and application
- public concern about "what is going on on the nation's campuses"

30 Year Time Frame

- multiculturalism?
- globalization?
- age of knowledge?
- global change?
- US ---> Europe and Japan?
- ubiquitous computing?
- genetic engineering?
- international conflicts?
- space colonization?
- "progress" or "steady state"?

The Challenge of Change

Driving Forces of 1990s

- Diversity & Pluralism
- Globalization
- Age of Knowledge



The Foundation for Change

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

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!!!)

Objective 2: Intellectual Leadership

- **Achieve a self-confident intellectual community in which the human mind is brought boldly to bear on the largest and most enduring questions that confront society**
- **Sustain the University's freedom to conduct independent inquiry and criticism**
- **Develop a new spirit of liberal learning through both the academic and professional disciplines**
- **Stimulate more daring and venturesomeness on the part of students and faculty in teaching and scholarship**
- **Combine both unusual strength in the disciplines with strong cross- and inter-disciplinary teaching and scholarship**

Objective 3: Social Leadership

- **Develop new models of a pluralistic community, both seeking and sustaining diversity, while working toward shared values.**
- **Develop a caring, concerned, and compassionate community of scholars, attempting to provide leadership in better understanding and addressing the key problems facing our society.**
- **Develop new models of the "information society" characteristic of large, complex organizations.**

Objective 4: Personal Leadership

Goal: Place a new emphasis on the preparation of our students and faculty for leadership.

- 1. "The central task of a university, a task which sets it apart from other social institutions, is the creation of an environment where the quality of the mind and its performance is always the central concern. The spirit most likely to develop leaders is a disciplined use of reason, enlivened by daring and the courage to experiment, and tempered by respect for what we can learn from others."
(Shapiro)**
- 2. "We should seek to develop in our students a critical mind, free of dogma, but nourished by the humane values necessary for leadership in a changing, fragmented society." (Bok)**
- 3. "Sustain a commitment to the fulfillment of human possibilities and the release of the human potential through efforts to attract and nurture historically deprived groups." (Gardner)**

Objective 4: Personal Leadership (cont)

- 4. "Create a sense of community on our campus so that students and faculty can understand the importance of achieving and sustaining shared values." (Gardner)**

- 5. "Achieve an appropriate balance between continuity and change so that students and faculty develop both the capability for self-renewal and stimulating the renewal of organizations in which they are involved." (Gardner)**

- 6. "Help our students to value and understand the importance of hope and courage to the human nature and the degree to which leadership involves awakening this spirit among others." (Gardner)**

Another Way to Look at the Strategic Process...

- 1. Setting the Themes**
- 2. Building the Teams**
- 3. Building the Networks**
- 4. Implementing the Plans, Actions, Process...**

The Themes of the 1990s

Themes of Change (1988):

- The increasing pluralism and diversity of our people
- Globalization of America and the shrinking global village
- The Age of Knowledge

Themes of Challenge (1990):

- A finite world (global change)
- The Post-Cold War World
- Rebuilding America

Themes of Opportunities (the Frontiers):

- Progress (vs. optimization)
- Creation (of knowledge, objects, intelligence, life,...)
- Exploration (of knowledge, planet, universe...)

The Themes of the 1990s...etc.

Particular Challenges to Higher Education:

- **The challenge of change**
- **The commitment to excellence**
- **The importance of fundamental values**
- **Building a community of scholars**
- **Restoring public understanding, trust, and support**
- **Acquiring and managing the resources necessary for excellence**

The Themes of the 1990s...etc...etc.

Strategic Themes at the University of Michigan:

- **Inventing the University of the 21st Century**
- **Redefining the nature of the public university in America**
- **Financing the University in an age of limits**
- **The Michigan Mandate**
- **A world university**
- **The electronic university**
- **Global change**
- **Strategic marketing plan**
- **"Keeping our eye on the ball"...**

Teams

Formal Teams:

Executive Officers
Academic Affairs Advisory Council
Academic Policy Group
Budget Priorities Committee
SACUA, Senate Assembly
Regents

Informal Teams:

Strategic Planning Groups
SOUP

Other Possible Teams:

Leadership Retreats (EOs, Deans, Faculty, Students)
Unit level: S & Cs, VP areas, ...

Networks

Internal:

University leaderships (EOs, Deans, Regents)
Faculty leadership (Senate Assembly, Exec Coms)
Students

External:

Presidential Advisory Council
Michigan Business-Higher Ed Roundtable
Michigan Presidents' Council
Alumni Networks (inc Citizens' Council)
National Associations (AAU, NASULGC, NCAA...)
Communities (AA, Detroit, Flint, GR, Saginaw...)

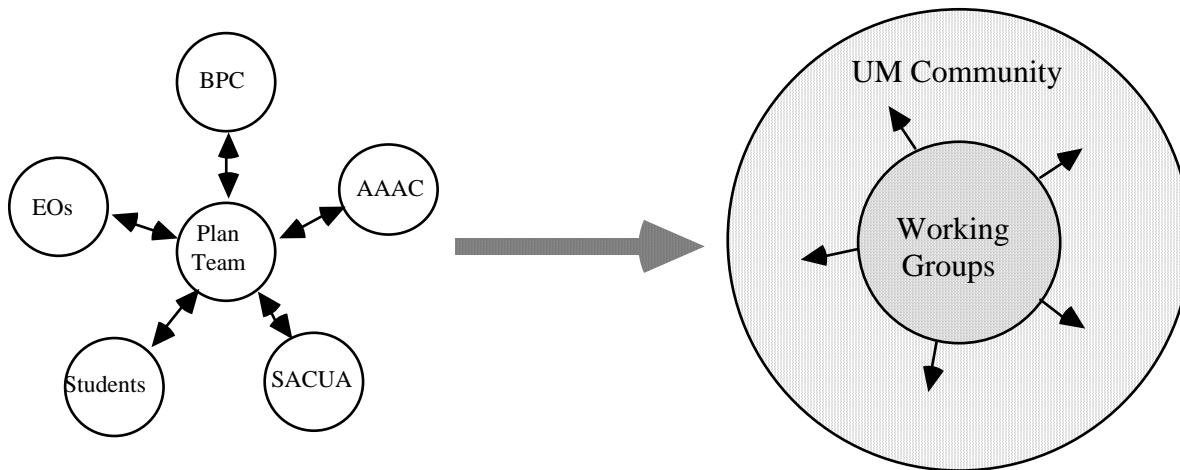
Other Key Constituencies:

Minority communities, labor, Washington, media,
Public-at-large, ...

Strategic Thrusts

**The Michigan Mandate
Information Technology
University Initiative Fund (1% off the top)
Asset Management Strategy
The Campaign for the 1990s
State Relations
Washington Relations
Communications
Community Relations
Campus Safety
Student Behavior
Sense of Community
International Strategies
Resource Acquisition and Management Strategies
Undergraduate Education
Graduate and Professional Education
Research Environment
Human Resource Development
Intercollegiate Athletics
...and, of course, the strategic planning process itself...**

Propagating the Process



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**

Environmental Assessment

- **Initial Conditions, Boundary Conditions, Alternative Futures**
- **Opportunities, Responsibilities, Challenges**
- **Key Planning Issues**
- **Planning Assumptions**

Internal Environment

- **Structural Characteristics and Initial Conditions**
- **Tradition ("Corporate History")**
- **Resources**
- **Leadership Style**
- **Cultural Factors**
- **Momentum, Stability, Resistance to Change**
- **Images of Ourselves**

External Environment

- **External Relationships**
- **Geographical Factors**
- **Human Resource Pools**
- **Financial Resource Availability**
- **External Image, Attitudes**
- **Constituents**
- **Political and Legal Factors**

Future Uncertainties

- **Costs of Quality Education and Scholarship**
- **Financial Resources**
- **Human Resources**
- **Societal Attitudes**
- **Political and Legal Environment**
- **Role of Comprehensive Research University**
- **Technology**

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

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Examples of Strategic Efforts To Date

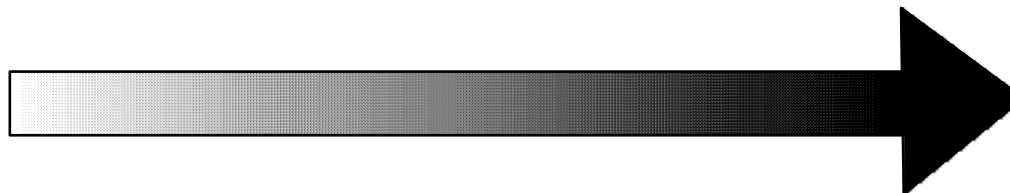
- 1986-87:** **Executive Officer Retreat...Decision to Move Ahead**
Strategic Planning Team meetings
Strategic Leadership Plan
Strategic Initiative Fund
Academic and administrative unit retreats
- 1987-89:** **Key strategic themes of change**
- **demographics --> the Michigan Mandate**
 - **internationalization --> AVP efforts**
 - **knowlege --> networking, ITD**
 - **restructuring revenues and expenditures**
- External relations strategy**
- 1990-92:** **Strengthening leadership teams (EOs, Regents,...)**
The Reality Test
10 Point Plan for 1990s
M-Quality
Restructuring Student Environment
Futures Group
- 1993-....:** **???**

The Planning Process

Mission

Objectives

Strategy and Tactics



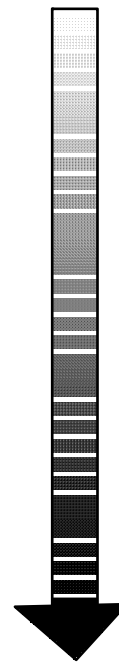
"Meta" --> "Mega" --> "Macro" --> "Micro"

Simple Goals and Actions for Complex Problems...

Simple
Goals

Simple
Strategic
Actions

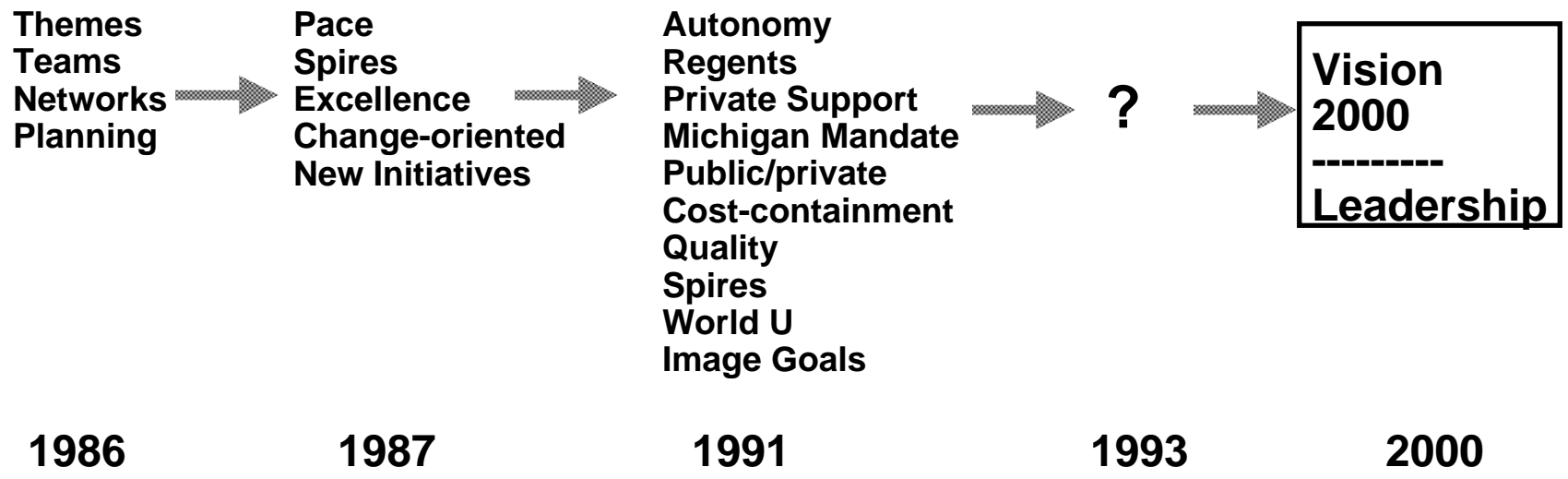
Complex
Tactical
Actions



*Increasing
Complexity*

The Evolution of Goals

Note how our goals have evolved over time...



Refining the Goals for 1993...

Proposed Goals for the 1990s (1993)

Leadership Goals:

- 1. To become the leading research university in the nation.**
- 2. To sustain our unusual blend of broad access and highest quality ("a uncommon education for the common man...").**
- 3. To achieve the goals of the Michigan Mandate.**
- 4. To achieve more "firsts" for the University.**
- 5. To build more spires of excellence.**
- 6. To enhance the quality of all academic programs.**
- 7. To develop a new paradigm for undergraduate education in a major research university.**
- 8. To become a leader in the quality of our living and learning environment for students.**

Proposed Goals for the 1990s (1993)-2

Resource Goals:

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

Proposed Goals for the 1990s (1993)-3

Trailblazing Goals:

- 17. To restructure the University to better respond to intellectual change.**
- 18. To develop within the University a test-bed for exploring possible models of the "university of the 21st century".**
- 19. To position UM as a "world university" of the 21st century.**
- 20. To position UM as a model of the "electronic university" of the 21st Century.**
- 21. To make UM a leader in knowledge transfer to society.**
- 22. To make the greater Ann Arbor area the economic engine of the midwest.**

Proposed Goals for the 1990s (1993)-4

Trailblazing Goals:

- 23. To development and help implement a plan for "restructuring" the State of Michigan.**
- 24. To have the leading intercollegiate athletics program in the nation.**
- 25. To build more of a sense of pride in...respect for...excitement about...and loyalty to the University of Michigan!**

The Strategic Planning Process

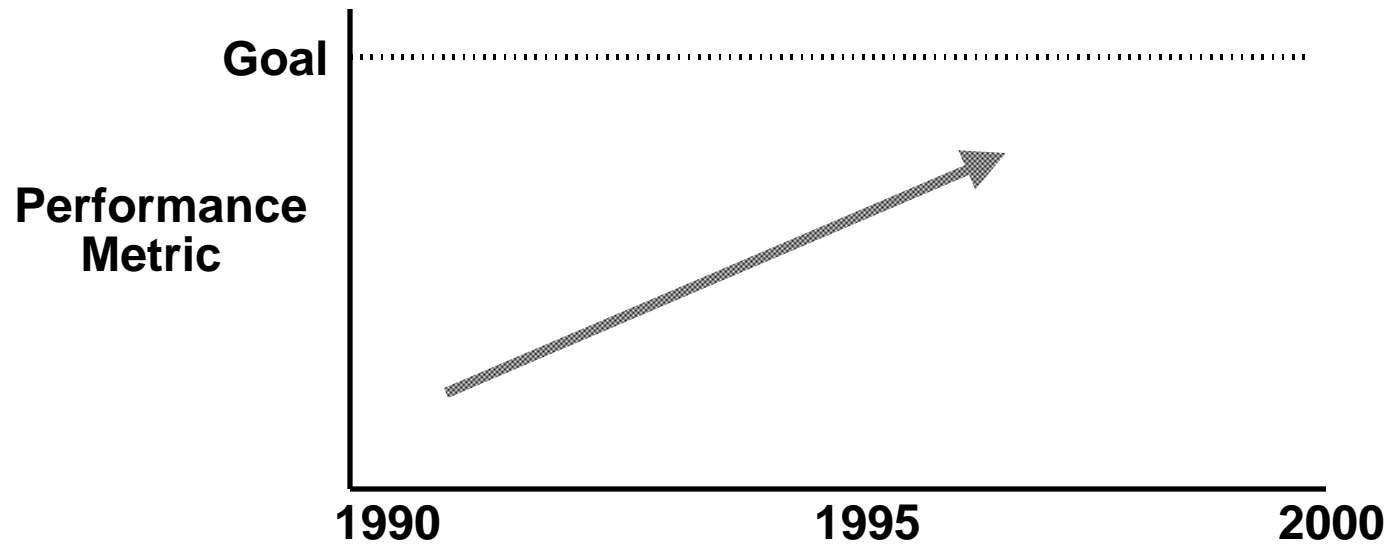
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Metrics

We need to develop metrics to measure progress toward each of the goals (and eventually toward the Vision-2000 itself).

Ideally, we should seek quantitative measures, capable of demonstrating "southwest to northeast" achievements...



The Business Plan

A Reality Test

The Reality Test: We have tested the following two premises on a number of leadership groups:

- 1. Because of the limited will and capacity to support higher education, in the face of a weakened economy and other social needs, the state will at best be able to support higher education at the level of a comprehensive four-year college (e.g., the "EMU level").***
- 2. Further, political pressures will make it increasingly difficult to prioritize limited state support for flagship institutions like UM and MSU, instead driving a leveling process in which the state appropriation per student equalizes across the state (again, at the "EMU level").***

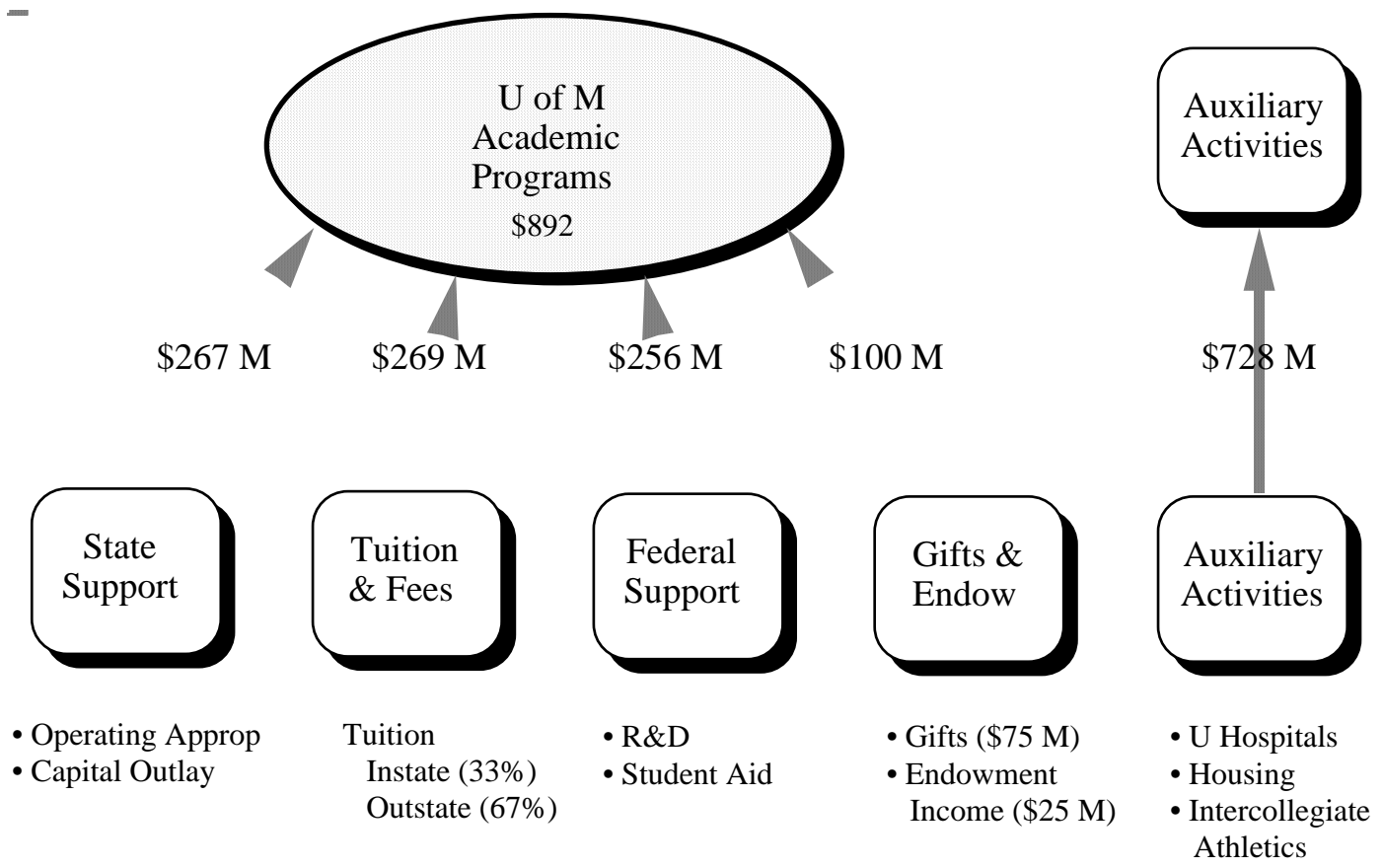
Results: Thus far, we have yet to find anyone who strongly disagrees with these premises. Further, all agree the only prudent course is to approach our future assuming they are true.

The Proposed Response

To sustain the quality of the University of Michigan, we need to embark upon a multiple strategy:

- 1. To take steps to build alternative revenue streams to levels sufficient to compensate for the loss in state support (e.g., tuition and fees, private support, federal support).**
- 2. To deploy our resources far more effectively than we have in the past, focusing to achieve quality at the possible expense of breadth and capacity while striving to improve efficiency and productivity.**
- 3. To enhance the University's ability to control its own destiny by defending our constitutional autonomy and building strong political support for autonomy.**
- 4. To strengthen dramatically the quality of the Board of Regents, by transforming them into a true "board of trustees" for whom the dominant concern is the health of the University--rather than personal or political agendas.**

UM Revenue Portfolio (FY90)



Resource Options

Revenues:

- **State Support**
- **Federal Support**
- **Tuition and Fees**
- **Gifts and Endowment Income**
- **Auxiliary Activities**

Expenditures:

- **Enhanced Productivity and Efficiency**
- **Downsizing ("Smaller But Better") Strategies**
- **Growth Strategies (nontraditional education)**

Hybrid Strategies

- **Mixed Public/Private Strategies**
- **National University Strategies**
- **"Unbundling" Strategies**

What can we expect from the State during the 1990s?

Operating Appropriations?

- Education is priority of new administration...BUT
- Commitment to 20% decrease in property tax
- Difficulty in reallocating within current resource
- Continuation of trend toward increasing support of private colleges

Conclusion: The best we can expect is for state appropriations to track the inflation rate during the 1990s (and even this may be too optimistic during the 1990-95 period).

Capital outlay?

- Not until budget deficit is brought under control.
- Even then, UMAA is unlikely to get anywhere near what its public peers get (\$25-\$50 M/year)

Attacks on Institutional Autonomy?

- Not likely to continue with Republican administration.

What can we expect from the Feds during the 1990s?

Federal R&D Support

- **Deficit reduction measures will constrain resources**
- **UM will continue to hold its own -- as long as we have the capacity to attract outstanding faculty!**
- **Increasing pressure on indirect cost recovery rates**

Federal Financial Aid

- **Clearly not a priority (50% decline in 1980s)**

Other Federal Tendencies

- **Increasing regulation (health, safety, conflict of interest, academic integrity, foreign involvement)**
- **Weakening of Michigan (and Midwest) congressional base with reapportionment in 1992**

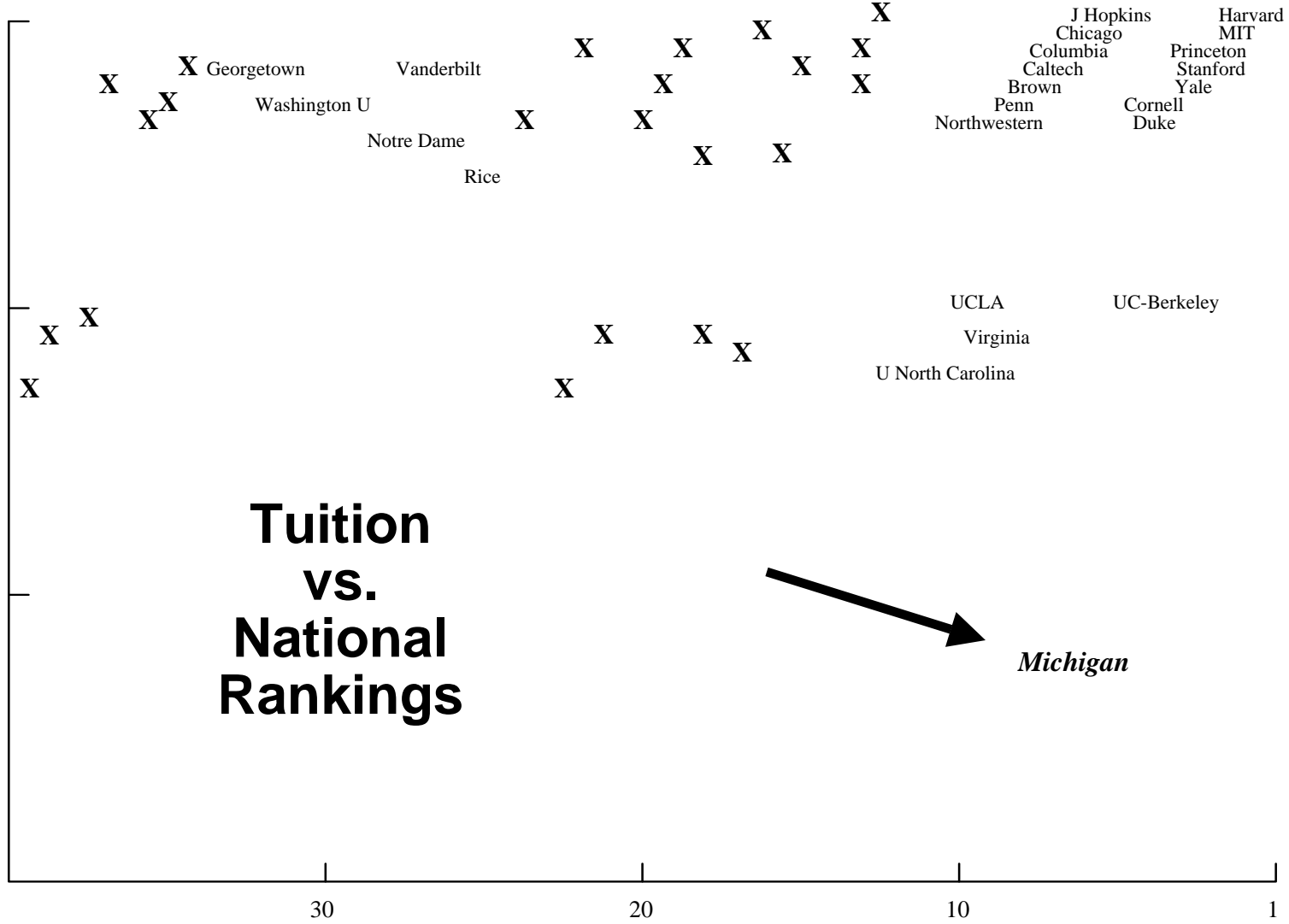
Tuition and Fees

\$15,000

\$10,000

\$5,000

Tuition vs. National Rankings



Michigan

Potential of Additional Tuition Revenue

Current private tuition levels: \$16,000

Current UM instate (ave) tuition: \$5,000

Difference \$11,000

Maximum additional tuition capacity (gross):

22,000 students x \$11,000 = \$242 million

Discounting for financial aid (- 33%):

$(2/3) \times \$242 \text{ million} = \160 million

Note: One can tap this capacity either by

- i) increasing instate tuition, or
- ii) increasing outstate enrollments...

Concerns about the Costs of Education

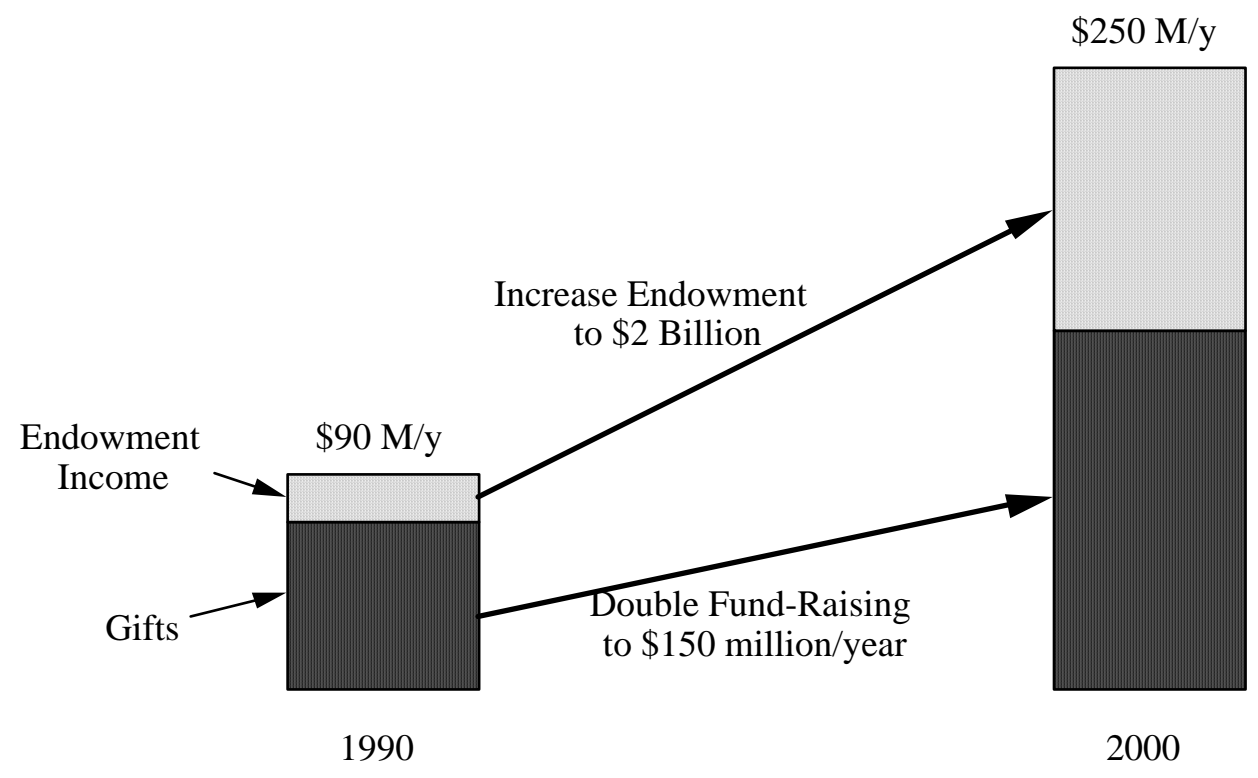
Perception:

- Frustrated parents, frightened that the promise of a college education is being priced beyond their reach.
- A generation of students openly skeptical about whether the degrees they seek are worth the stated price.
- Public officials who are learning that just saying no to tuition hikes makes for eminently good politics.
- Frustrated and disappointed trustees...

Reality:

- In the mid-1980s, college costs began to rise faster than family income for the first time in decades--but the "value added" of a college education (future earnings) continues to increase even more rapidly.
- Strong financial aid programs have protected access for the most disadvantaged of students--albeit with a shift from grants to loans.
- However, it is clear that one can no longer simply "work one's way through college" ...

A Fund-Raising Goal for the 21st Century



Auxiliary Activities

University Hospitals

- **Possibility of more resource flow from Hospitals to health profession academic programs (Medicine, Nursing, Pharmacy, Public Health, Dentistry)**
- **But long term prognosis for "profits" is guarded**

Intercollegiate Athletics

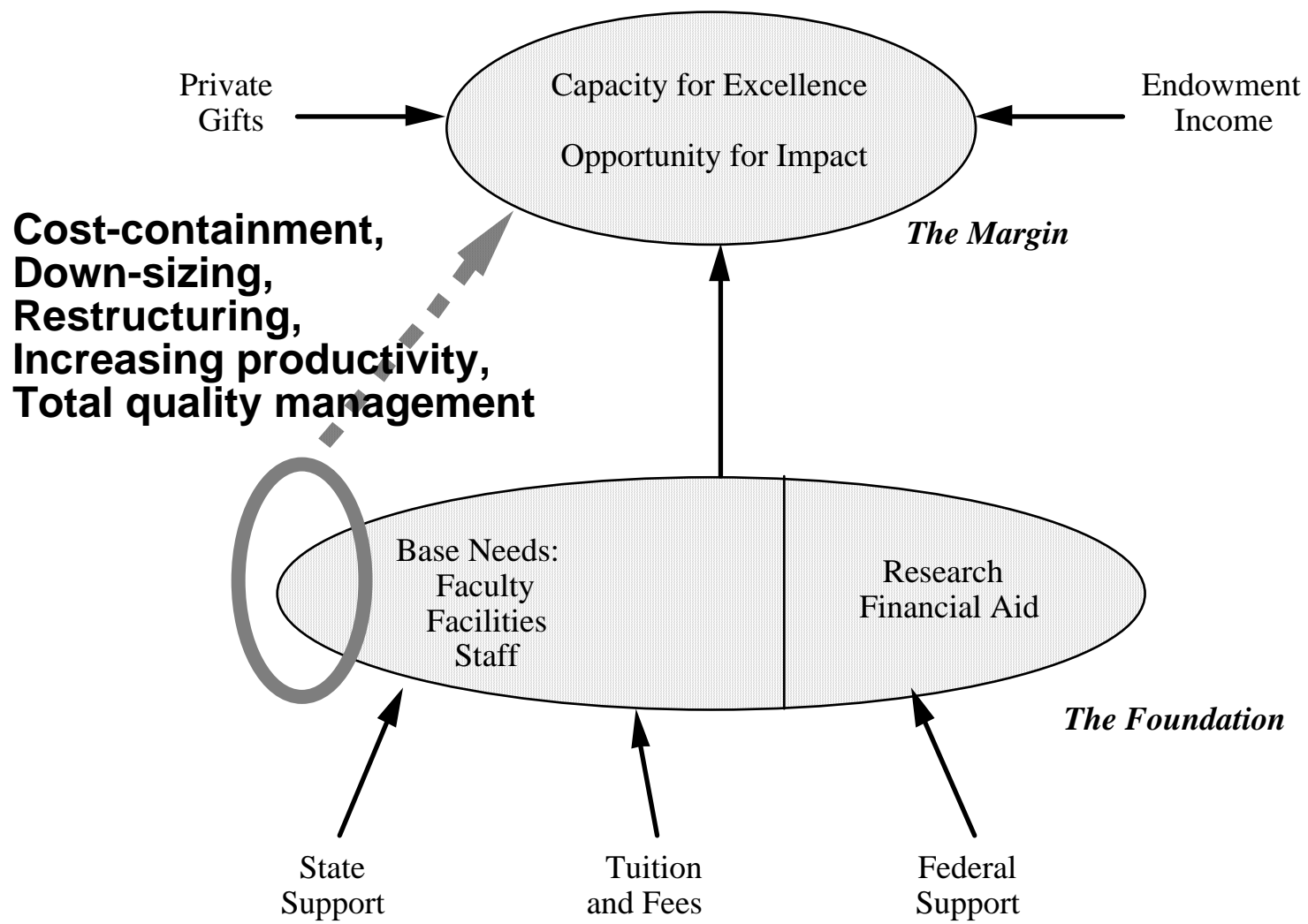
- **Without major expenditure reduction, revenues cannot cover even the present level of activities**
- **Introduction of Tier II sports may require student fees**

Housing

- **Some possibility of resource flow into academic programming in resident halls (through fees)**

Other Ideas: spinoffs, commercial ventures

"Restructuring" Approaches



Mixed Public/Private Strategies

Models:

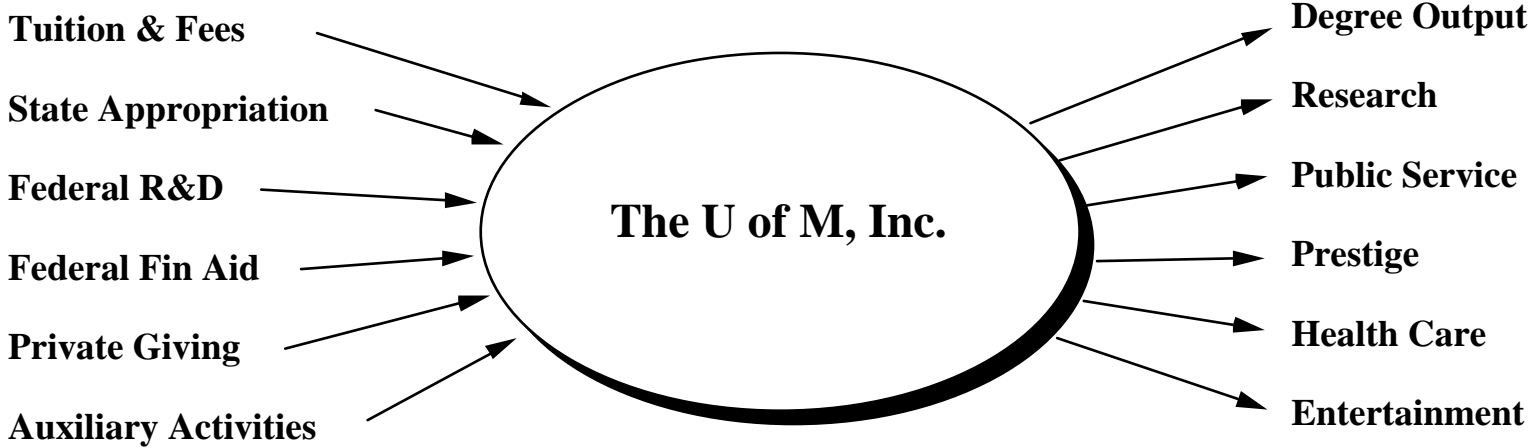
Cornell: Mixture of state-supported and endowed schools

Penn: Operates as private institution with strong state support

Possible Approaches:

1. Allow selected schools to attempt to become "private" both in funding and operation (e.g., Law, Bus Ad, Medicine), while others (LS&A, Music, ...) receive state "subsidy".
2. Make the argument that Michigan's weakness as a state is that it has no great private universities to give its knowledge infrastructure more resilience to cyclical economic impact. U of M essentially plays this role and hence should be allowed more latitude in its operation.
3. Develop a strategy in which we determine the real costs of a Michigan education (at various levels), and then offer the state the opportunities to purchase as many positions for Michigan residents at whatever tuition level they choose -- provided they offset the real costs with adequate appropriation "subsidy".

Inputs and Outputs



Inputs

Outputs

"Unbundling" Strategies

"Unbundle" Products:

Mid-career training, nontraditional education, niche markets

"Unbundle" Pricing:

Differential tuitions and fees

"Unbundle" Costs:

**Link specific revenues to specific outputs
Restructure labor deployment (teaching, research, service)**

"Unbundle" Distribution:

Telecommunications, networks,...

Some Facts of Life

- 1. The University is presently underfunded -- with respect to our present size, breadth, and quality -- by \$200 M to \$300 M/y (as determined by peer comparisons) (HTS)**
- 2. Further, the University is entering one of the most intensely competitive periods in its history (for faculty, students, funds).**
- 3. It is unlikely that the State of Michigan will have the capacity -- or the will -- in the near term to even maintain our state appropriations at their present levels (in real terms).**
- 4. Federal support will become more constrained and competitive.**
- 5. Resident tuition levels are seriously underpriced -- with respect to actual costs, state "subsidy", and the availability of financial aid -- yet they are also constrained by political factors. Nonresident tuition levels are constrained by the private marketplace.**
- 6. The present "corporate culture" of the University will make significant cost reductions, productivity increases, and even control of growth difficult. Some degree of "restructuring" will be necessary.**

Caveat #1: A Lesson Learned

The "smaller but better" strategy of the early 1980s was a disappointment...

- i) We didn't get any smaller. (Indeed, we continued to grow!!!)**
- ii) We didn't save much money.**
- iii) Rather than creating a psychology of prioritization and cost-effectiveness, the strategy clobbered the morale of University community and created a spirit of distrust and cynicism that we are only now beginning to emerge from.**

Moral of story: We have to be VERY careful in using "doom and gloom" strategies. Instead we must base our efforts on building a sense of pride and leadership so that we can "restructure" our activities to enhance quality, innovation, ...and productivity.

Put another way, we should take the more positive approach represented by the "total quality management" efforts developed in the private sector.

Caveat # 2: The importance of a balanced strategy

Three objectives:

- **Increasing resources available to University**
- **Constraining costs and enhancing quality of University**
- **Protecting assets (financial, physical, human) of University**

We must achieve a balance among the attention, energy, and effort directed at each objective.

Example:

- i) **It is clear that the University of Michigan presently achieves a quality (and capacity) comparable to peer institutions at only a fraction of the cost. Indeed, one could make the case that we are probably the lowest-cost, world-class university in the nation.**
- ii) **Hence, while our cost containment efforts will be very important, they will not solve the problem of our serious underfunding relative to peer institutions. Revenue enhancement must receive equal emphasis.**

Observation

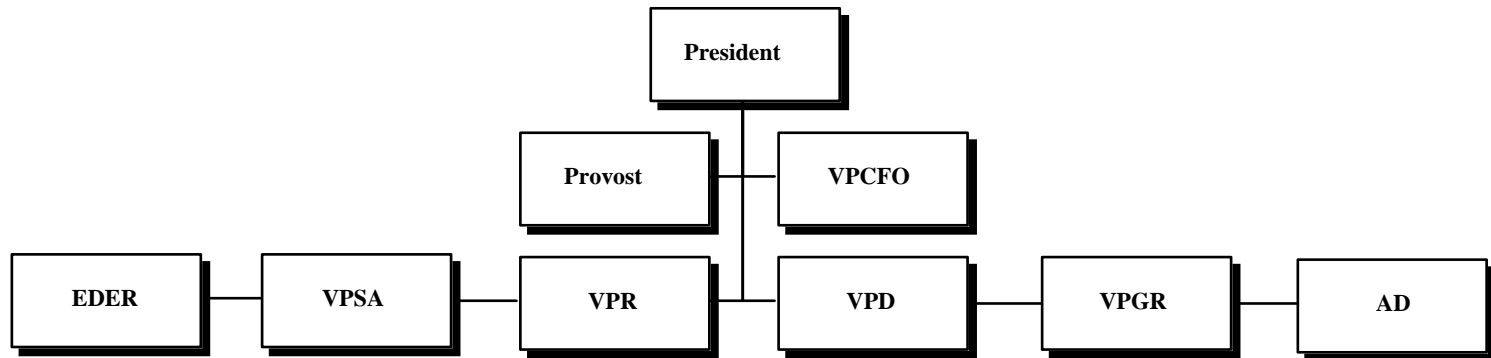
Since the top institutions will compete in the same marketplace--for the best students, for the best faculty, for R&D funding from Washington, from grants from industry and foundations--they will, of necessity, become increasingly similar. That is, the differences between the best public and private research universities will tend to diminish over the next two decades.

Stanford???
Cornell???

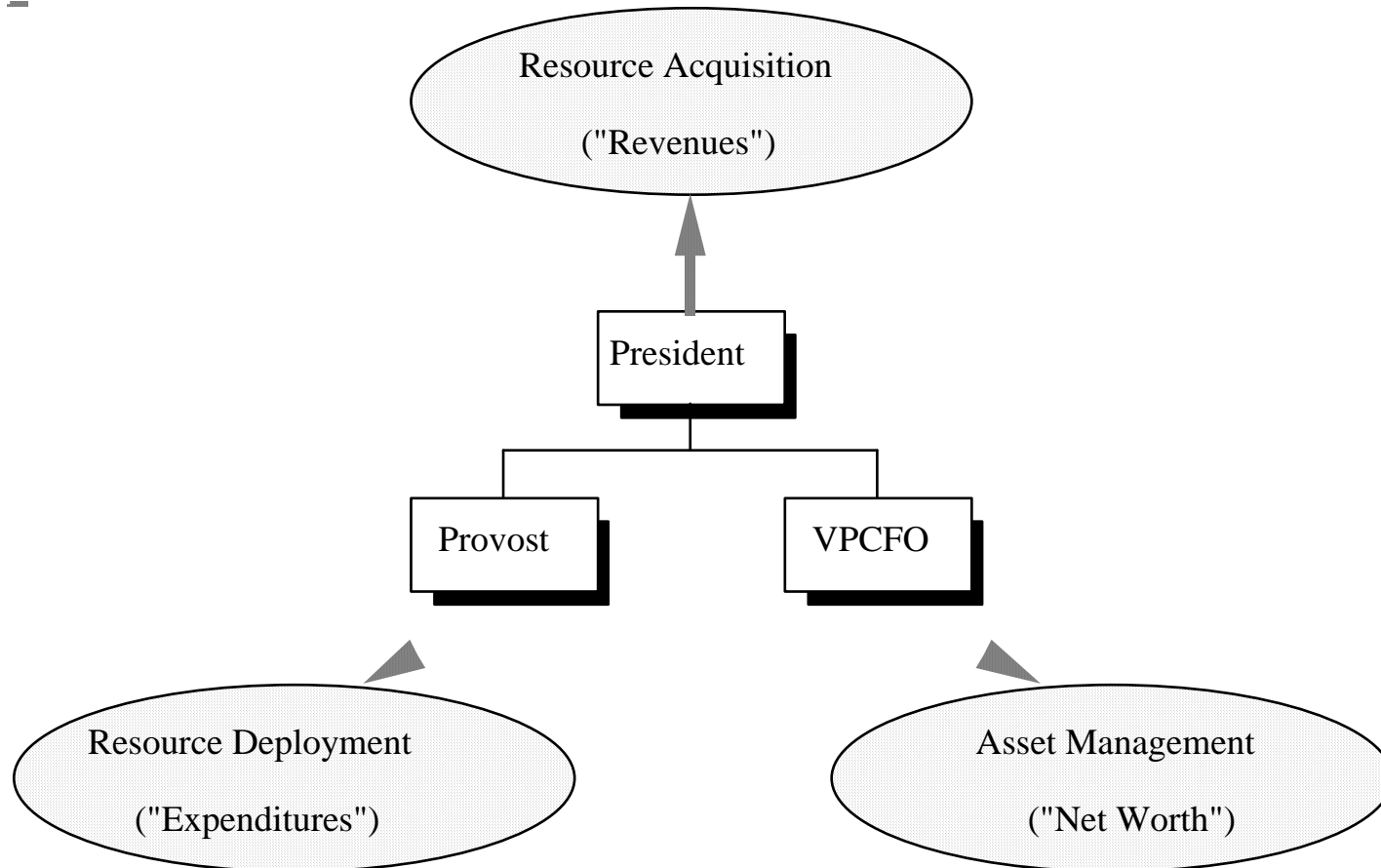
Michigan???
UCLA???

EO Responsibilities in Strategic Process

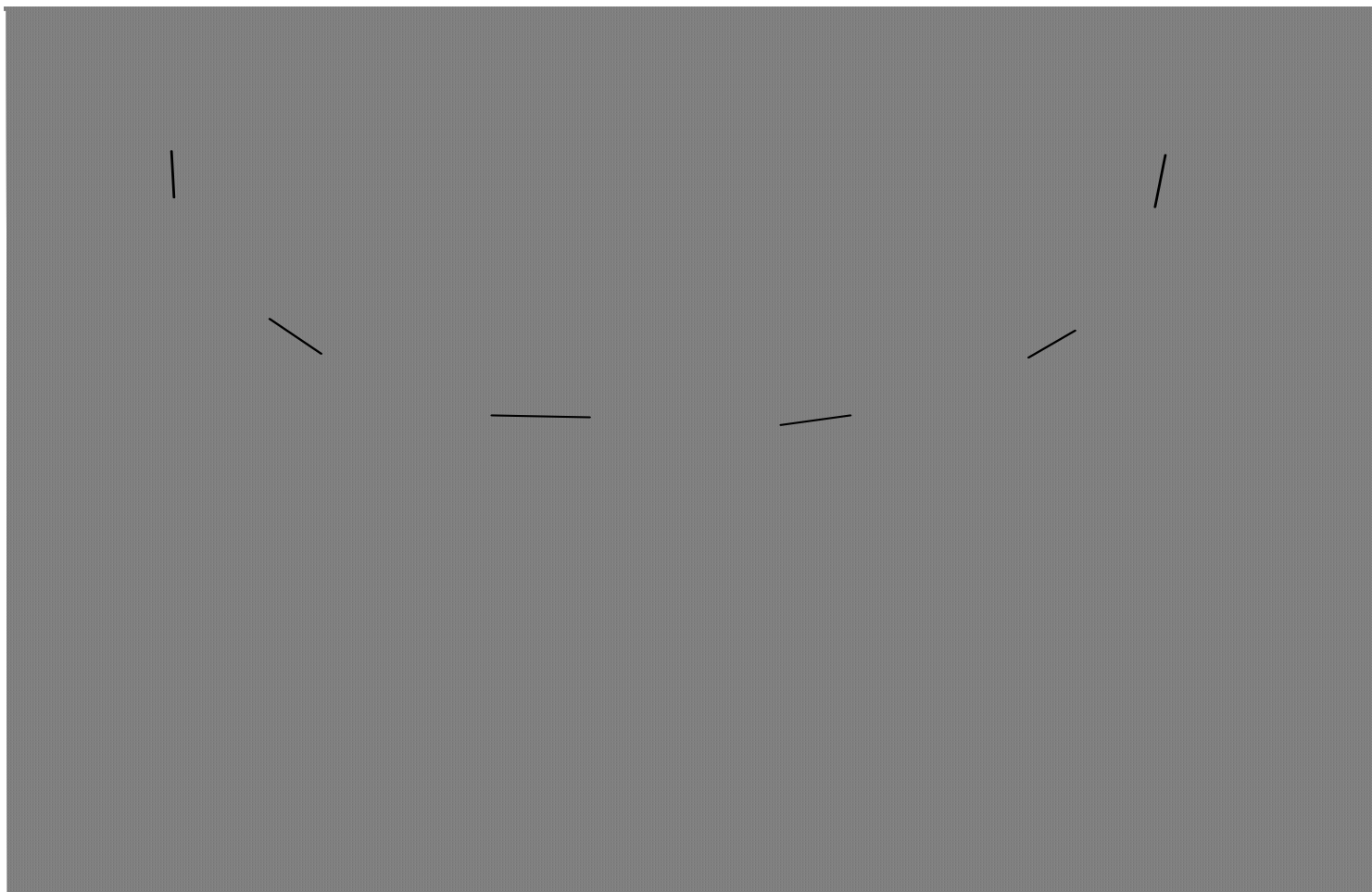
Traditional EO Structure



Executive Officer Resource Responsibilities



Broader EO Resource Responsibilities



Roles of the President

Substantive Leadership:

- Development, articulation, implementation of visions and programs that sustain and enhance quality of the institution
- Bold and creative long-range thinking about intellectual, social, financial, human resource, physical, political issues
- Focus on future, understanding of present, with sense of tradition

Symbolic Leadership:

- Role as head of institution, relationship to internal constituencies
- Representation of University to external constituencies

Pastoral Care:

- Source of emotional support, energy, guidance for institution

The Importance of the EO Team

A Fact of Life: No president can possibly fulfill all of the dimensions of this role.

- 1. Hence, a president must first determine which aspects of the role best utilize his/her talents.**
- 2. Then a team of executive officers and senior staff must be assembled which can extend and complement the activities of the president in order to deal with the full spectrum of the University leadership role.**

My Particular Role as President

Strategic Leadership: To provide the vision, energy, and sense of excitement necessary to propel and guide the University into the next century.

Internal Campus Affairs:

- largely symbolic (setting key themes)
- not involved in tactical, day-to-day decision process
- strong delegation and decentralization

External Campus Affairs:

- primary responsibility for interface with external constituencies
- primary responsibility for "institutional advancement"
- involvement in state/national/societal issues

Responsibility for Planning and Policy Development

Resource Issues
Michigan Mandate II
Globalization
Age of Knowledge
Cultural
21st Century University



Administration

Faculty Issues
Undergraduate Education
Graduate Education
Professional Education
Scholarship



Faculty

Unit Strategic Planning



Units

Agenda for Administration

1. Resources

- Resource acquisition
- Cost containment (and reduction)
- Asset management
- Capital facilities

2. External Relations

- Community Relations
- State Relations
- Federal Relations
- Higher Education Networks
- Public Relations
- Media Relations
- Alumni Relations
- The Campaign for the 1990s

Administration Agenda (continued)

3. Michigan Mandate II

- **Moving to a multicultural community**
- **Broadending the base (women, international)**
- **Program inventory and assessment**

4. Globalization of the University

- **Academic programs**
- **Institutional relationships**

5. Preparation for an Age of Knowledge

- **Next generation of information technology**
- **Knowledge-based institutions**
- **Impact on teaching and scholarship**

Administration Agenda (continued)

6. Changes in the University Culture

- **A sense of community**
- **Pride, loyalty, commitment to University**
- **Balancing rights with responsibilities**
- **Entrepreneurial, risk-taking, fault-tolerant**
- **Grass-roots optimism and empowerment**
- **Transforming adversity into opportunity**

7. Mission and roles of 21st Century University

- **Core missions (teaching and scholarship)**
- **Other primary missions**
- **Secondary missions (possible for elimination)**

Areas appropriate for faculty (bottom-up) focus:

- 1. Faculty issues
(rewards, tenure, retirement)**
- 2. Undergraduate education
(curriculum, student life)**
- 3. Graduate education**
- 4. Professional education**
- 5. Changing nature of scholarship
(interdisciplinary, venturesome)**

Operating Principles

We have set out a very ambitious agenda for the University that will require both great effort and strong teamwork (e.g., University of 21st Century themes, strengthening external relations, restructuring revenue/expenditure base,...)

We must take great care that we do not get swamped by all of the other issues swirling about an active campus such as ours and keep our focus on our most immediate and important priorities.

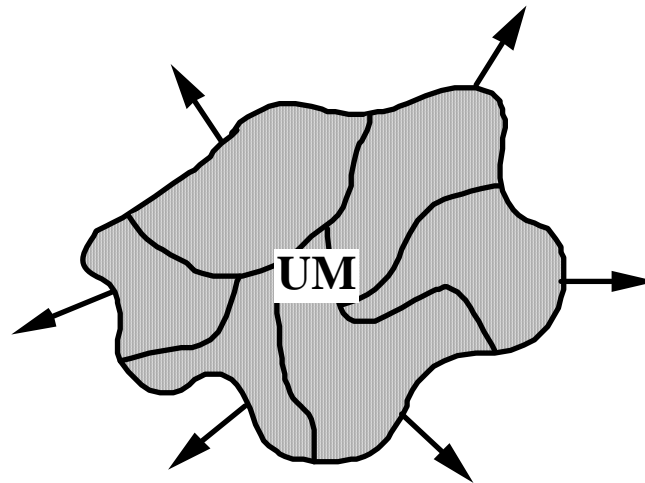
The keys to progress...

Consistency ... Persistence ... Focus

The "C" Concerns

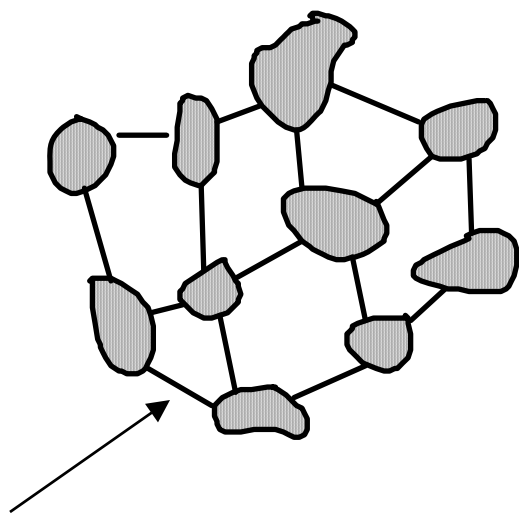
Commonly mentioned concerns:

- **Morale, malaise, separatism, intellectual fragmentation...**
- **Behavior (substance abuse, crime, racism, vandalism)...**
- **Special interest agendas, budgets, salaries, parking...**
- **"What's in it for me?...What have you done for me lately?..."**
- **Students vs. faculty vs. staff vs. administration vs. Regents**



The All-Important "C" Words

- Community
- Communication
- Comity
- Collegiality
- Collaboration
- Cooperation
- Coherence
- Concern
- ...



The "glue" words...

The Continued Challenge for 1990s

"How do we generate more of a sense of

...pride in...

...respect for...

...excitement about...

...and loyalty to...

...The University of Michigan?"