

Transformation Briefings (September 30, 1994)

Good News

UM is better, stronger, and more exciting and vital than ever

Quality

National rankings highest in 25 years

Ebb and Flow analysis indicates we're holding our own

People

Michigan Mandate:

Students: 12% to 23% (AA: 4% to 8.5%)

Faculty: 9% to 12% (AA: 2.6% to 4.8%)

Michigan Agenda for Women

Bylaw 14.06

Student Activities

From Americorps to Sunrunner to Leadershape

Financial strength

Not only accommodate loss of state support, but more diverse
and robust resource portfolio (\$2.5 billion/year)

Faculty salaries:

Moved past UC to now rank #1 among publics
(consistent with policy)

Professors: #11 (just about to pass Cornell)

Harvard, Princeton, Stanford, Yale, Chicago, Columbia

Penn, Northwestern, Cornell ahead of us

Assoc Prof: 6th

Asst Prof: 8th

Rise to #1 research university in nation

Campaign: \$670 M (\$150 M per year)

Endowment: \$300 M to \$1 B

Administrative costs: Lowest among public & private peers
(4% of total expenditures)

Wall Street: Credit Rating: AA1 (highest among public universities)

Physical Plant:

Within 5 years, will have completed rebuilding campus

Central Campus
North Campus
Medical Campus
South Campus
\$600 million!

Auxiliary Activities

UM Hospital most successful in nation
UM Athletics rated #1 in US

Excitement

Undergraduate Education
Professional Schools (Medicine, Business, SILS,...)

But...concerns

Throughout past decade, we have all worked to make
UM the finest university in the world, but within the 20th Century
paradigm

Sometimes I worry that I may be sounding like the CEO of IBM
ten years ago when he briefed his Board of Directors,
congratulating them on building IBM into the strongest company
in the world.

And yet look at them now.

They built the finest 20th Century corporation in the world.
The only problem was that our society was already
moving into the 21st Century.

In fact, I wake up at night thinking...

...IBM...GM...UM...
...are we next?

Yet, there are many signs that this paradigm may no longer be adequate
to serve a rapidly changing society in a rapidly changing world.

The University as a 'knowledge server''

Changes

Examples

The end of the Cold War
The new world order
US < Asia, Europe

Tools of creation: new materials, new lifeforms, new intelligences

National information infrastructure + digital convergence

--> cyberspace society

In our society

Demographic change: the new majority

The internationalization of America

The Post-Cold-War world

Spaceship Earth

The Age of Knowledge

In higher education

The rising costs of excellence and the limits on resources

The changing relationships with diverse constituencies

The difficulty in comprehending the modern university

The challenge of intellectual change

The changing role of the research university in our society

The pace of change

In Michigan

The erosion of state support

Assaults on University autonomy

Political issues

General

The pace of change...

Akin to other periods of dramatic change in higher education

...1890s...public universities

...WWII...research universities

Our basic mission of

...creating

...preserving

...transmitting

...and applying knowledge

will not change.

But the manifestations of each of these activities is changing rapidly.

...shift from solitary to collective learning

- ...responding to the “plug and play” generation
- ...fundamental to strategic research
- ...disciplinary to interdisciplinary (or nondisciplinary) learning
- ...digital convergence: verbal to “virtual reality”

Alternative Paradigms

- The state-related, but world-supported, university
- The world university
- The diverse university (or transversity)
- The cyberspace university
- The creative university
- The divisionless university
- The university college
- The Catholespistemiad
- The “New University”
- The “knowledge server”

What to do?

Changes in the past:

- ...buying change with additional resources
- ...laboriously building consensus necessary for grassroots change
- ...changing key people
- ...By finesse...stealth of night
- ...Nike Approach: Just do it
(top-down decisions followed by rapid execution...
“better to seek forgiveness than ask permission”)

Concern:

Pace and profound nature of change is unprecedented

Some 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. Do we need to rebalance our activities among undergraduate, graduate, and professional education?
4. What is the proper balance between disciplinary and

- interdisciplinary teaching and scholarship?
5. How should we select and develop the next generation of faculty?
 6. How do we respond to the deteriorating capacity of the state to support a world-class research university?
 7. How do we best protect the University's capacity to control its own destiny?
 8. How do we enable the University to respond and flourish during a period of very rapid change?

Transformations

...mission

- State-supported to "state-related"
- State to national to world university
- UMAA, UMMC, UMD, UMF relationships
- Securing and protecting UM's autonomy

...financial restructuring

- Responsibility center budgeting
- Cost/market based pricing (tuition, research, services)
- OEM internal services, competition, outsourcing
- Generating "venture capital" funds
- Incentives for collaboration
- Strategic alliances

...organization and governance

- Overhauling process and policies to allow change
- Administrative restructuring
 - Eliminating middle management layers
 - Shifting away from "chimney" style of decentralization
 - Rightsizing units
 - Restructuring personnel policies
- Matrix structures
 - School and college affinity clusters
 - University-wide research projects
 - Virtual structures (ITIC, Gateway Campus)
- Re-engineering with information technology

- Next generation leadership
- ...general characteristics of the university
 - The Michigan Mandate
 - The Michigan Agenda for Women
 - Internationalization of UMAA
 - A world university?
 - A cyberspace university?
- ...intellectual transformation
 - Reducing specialization
 - University College
 - Restructuring of PhD
 - RANN Projects
 - Faculty roles
 - The New University (...ITIC?...)
- ...relationships with external constituencies
 - Local, state, federal relations
 - University enterprise zones
 - UMMC evolution
 - International strategies
- ...cultural change.
 - Faculty responsibility and accountability
 - Faculty and staff productivity
 - Incentives
 - Streamlining the decision and executive process
 - Entrepreneurial incentives
 - Risk-taking, fault tolerance, adventure
 - Pride in
 - ...excitement about
 - ...loyalty to
 - ...the University of Michigan

Possible Strategic Initiatives

- The Capacity for Change
 - Vision Statement, Transformation Plan

Process Inventory

- Reengineering processes, policies, and practices for flexibility
- Evolving to more sophisticated management structures
- Restructuring administrative organizations
- Restructuring faculty governance
- Re-engineering with information technology

Educational Transformation

Undergraduate Education

Gateway Campus

Student Living Environment

* The “University College” for undergraduate education

- Completion of the Gateway Campus
 - Shifting from specialized degree programs to “liberal learning”
 - Linkages between professional schools and UG education
- * Restructuring the PhD (and Rackham)
- Continuing education and “just-in-time” learning

Intellectual Transformation

Integrative Structures (ITIC, Gateway, Virtual)

Alternative faculty appointment and reward structures

Alternative structures for teaching and scholarship

* Developing more flexible structures for teaching and research

- Broadening faculty appointments
- Integrative facilities (continued evolution)
- “The LS&A Challenge”
- The New University

The Diverse University

The Michigan Mandate

The Michigan Agenda for Women

A General Strategy for Diversity

- * Broadening the diversity agenda beyond race and gender
- * The World University

The Faculty of the Future

Definition and role of the faculty

Promotion, tenure, and retirement

* Renegotiation of the faculty “contract”

* The balance between long-term and flexible staff

Serving a Changing Society

Evolution of UM Medical Center

Research Applied to National Needs

UM Role in K-12 Education

*Serving a knowledge-intensive society

* Developing the capacity to say “no”

Financial Restructuring

All-funds budgeting and management

Responsibility Center Management

Competition for internal services

Development of investment capital

Exploration of alternative corporate structures

Successful completion of the Campaign for Michigan

* Accommodating the effective disappearance of state support

* Protecting the public character of the University

* Protecting the autonomy of the University

Preparing for the Future

Next Generation Leadership

Completion of effort to rebuild Ann Arbor campus

Campus evolution

New market exploration.

* Increasing and broadening educational services

* The Cyberspace University

* Strategic alliances

Cultural Change

Risk-taking, fault-tolerance, adventure and excitement

Alignment of responsibility and authority

Alignment of privilege and accountability

Balancing decentralization with University goals

Achieving a commitment to community, tolerance, and respect

Establishing a sense of pride in, respect for, excitement about,
and loyalty to the University of Michigan!

Some More Tough Questions

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 need
to be? Is it evolution? Or is it revolution?
3. Are we getting the right people into key leadership positions
to understand and executive the transformation process?
4. How do we balance the University's tradition of decentralization
and unit autonomy with the need to achieve institution-wide
transformation?

Goal:

What are we trying to accomplish?

- 1) Move beyond simply positioning the University for leadership
by polishing the status quo.
- 2) Provide the University with the capacity, the energy level,
the excitement, and the leadership necessary
to enable it to transform itself more radically
to serve a changing world.