

The Future of Higher Education in a Disruptive World

SUMMARY PRESENTED ON 11/01/22

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AGENDA

- End of the Golden Age of Universities
- Disruption Underway
- Potential Strategies
- Transformation vs. Optimization
- Four Building Blocks
- Closing Thoughts
- Discussion Questions
 - Transformation vs. optimization at YC? What does that look like?
 - Of the 8 critical capabilities is the most important and critical?

END OF THE GOLDEN AGE FOR UNIVERSITIES

- Decreasing earnings premium – or in some instances negative premium
 - In UK estimated 1/5 of degrees are not worth the money in terms of future earnings.
 - Survey conducted in 2020 revealed 61% of respondents said a degree is less valuable than 10 years ago.
- Perceived decreasing return on education is coinciding with rising tuition fees – causing students to go into debt.
 - In the US student debt has tripled between 2001 and 2016.
- Increasing salaries to pay talent but running out of productivity gains.
 - Continue increasing tuition – increasing student debt.
 - More students in a class, reducing the number of small groups, and limiting subject choice.
 - Causing consuming resistance.

DISRUPTION UNDERWAY

“ The ability to transform will be the critical one for all education institutions to cultivate, so they can shape and respond to a changing world of education. ”

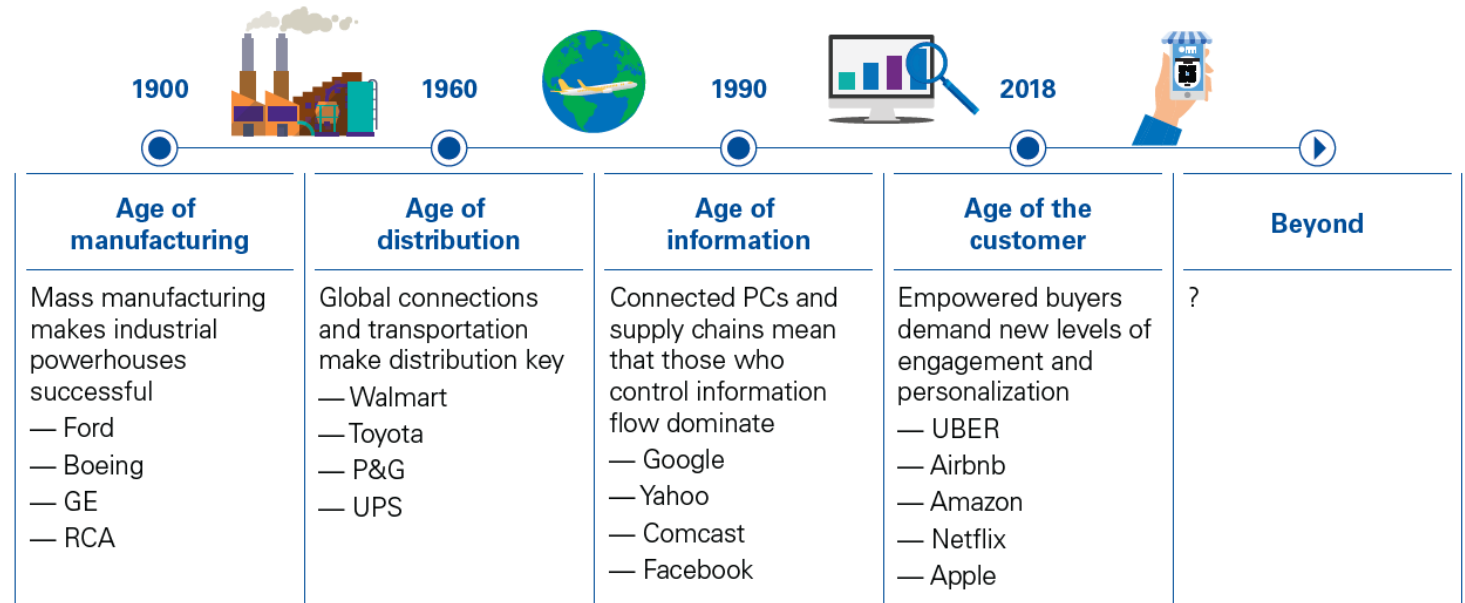
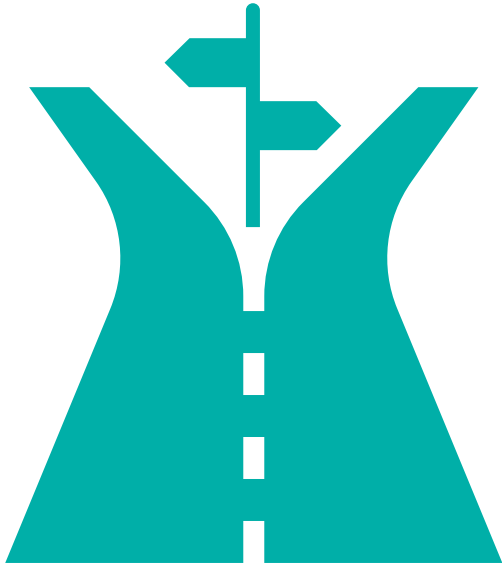


Illustration source: The customer-obsessed enterprise: Lead the competition with a clear vision for customer obsession, Forrester Research, 2018.

WHERE WE ARE



“ We are at or approaching a crossroads with some decisions of how to move forward ”

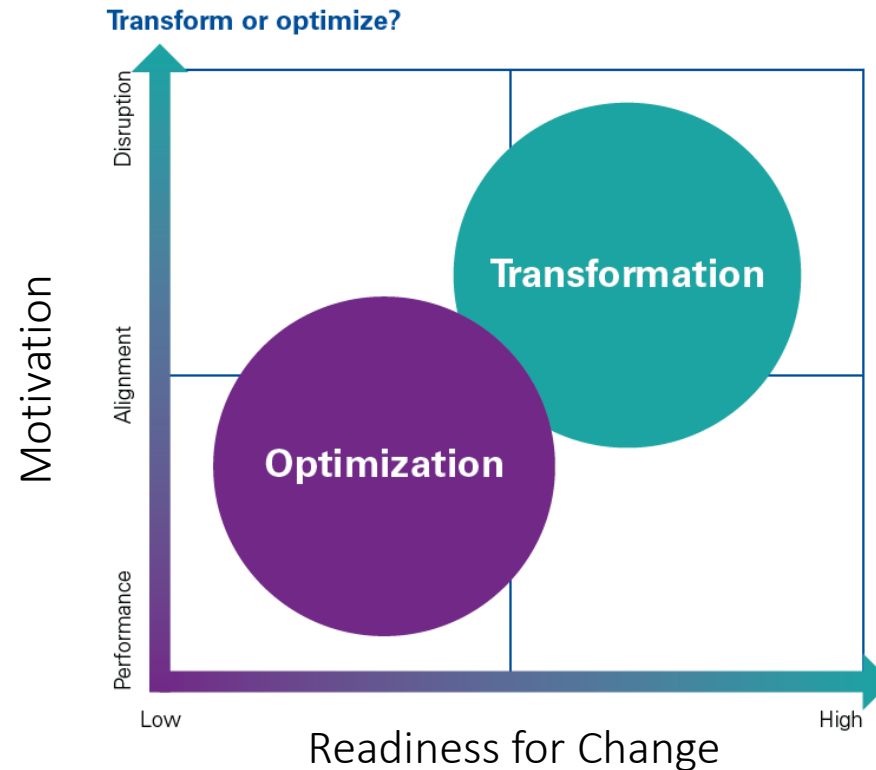
POTENTIAL STRATEGIES

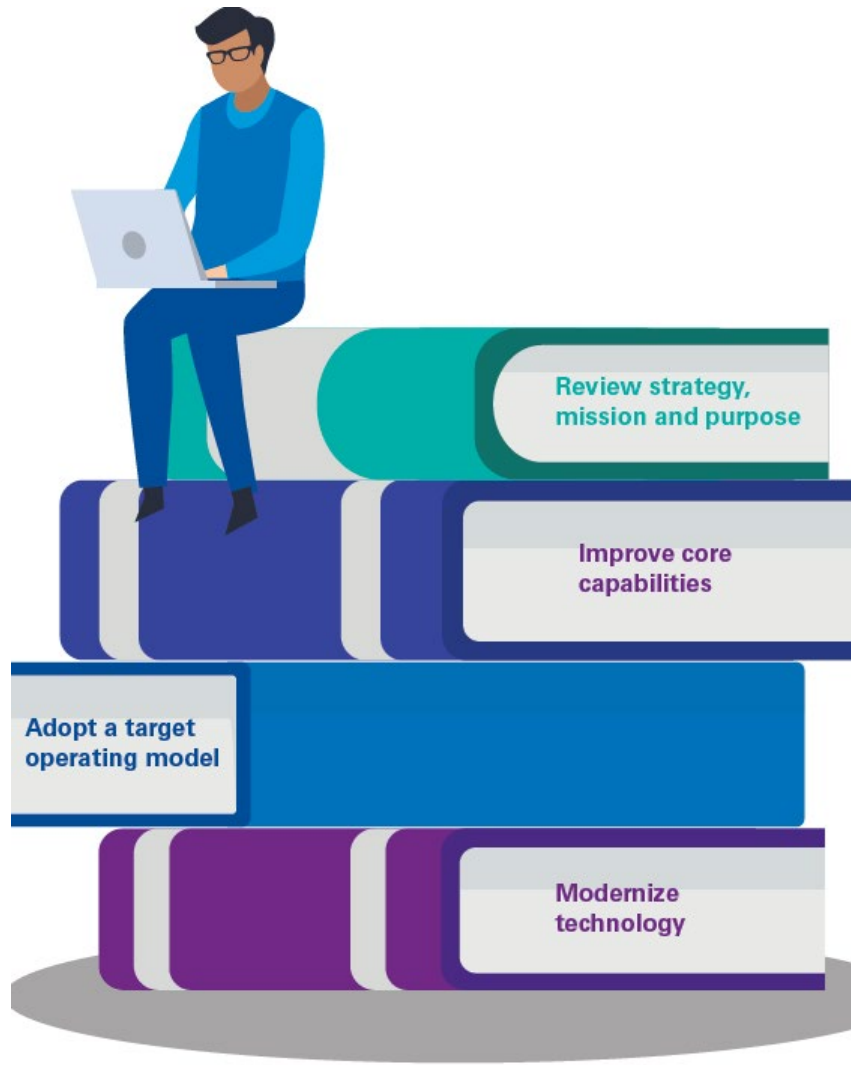
“ Many higher-education institutions around the world are at or approaching a crossroads. This applies to strategy and to operating model. ”

- Do they transform?
- Do they optimize?
- Do they do nothing and react?
- Do they do nothing and take the risk?

TRANSFORMATION VS. OPTIMIZATION

- Transformation: Operating model transformation is required where an organization has significantly changed its strategic ambition or requires a fundamental shifts in its value proposition and business model.
- Optimization: Operating model optimization is where an organization needs to improve its organizational effectiveness and efficiently in order to improve performance to meet its strategic ambition and enact its business model.





FOUR BUILDING BLOCKS

Optimizing & Transforming

FOUR BUILDING BLOCKS - Strategy

1. Strategy – Potential Options

- Borderless
- Shorter courses and degrees
- Digitally native cohorts
- Experiential learning
- Lifelong learning
- Competing at scale
- Lifestyle integration



FOUR BUILDING BLOCKS - Capabilities

2. Capabilities - Eight Critical Capabilities of Connected Enterprises

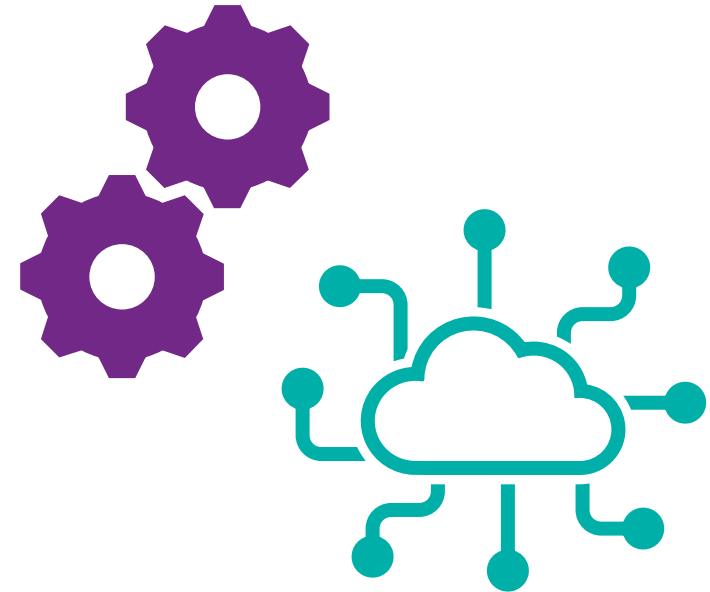
- Insight-driven strategies and actions
- Innovative products and services
- Experience centricity by design
- Seamless interactions and commerce
- Responsive operations and supply chain
- Aligned and empowered workforce
- Digitally enabled technology architecture
- Integrated partner and alliance ecosystem



FOUR BUILDING BLOCKS – Operating Model & Technology

3. Operating model – The challenges ahead require a clear concept of how the enterprise/institution will organize itself to execute its strategy.

4. Technology – investment will likely be key to efficient transformation



CONCLUSION

“ For most higher-education institutions, deliberate and proactive transformation or optimization will be the means of surviving and thriving in a world which is becoming tougher. ”

DISCUSSION

- Transformation vs. optimization at YC?
What does that look like?
- Of the 8 critical capabilities is the most important and critical?