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## **SMALL BUT MIGHTY: 4 SMALL COLLEGES THRIVING IN A DISRUPTIVE ENVIRONMENT**

By

**Amit Mrig, Daniel Fusch, & Patrick Cain**

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## **AMIT MRIG**

### **PRESIDENT, ACADEMIC IMPRESSIONS**

Amit co-founded Academic Impressions in 2002 to provide research, publishing, and training on issues that directly impact the sustainability of higher education. Under his direction, AI has published hundreds of articles and papers, interactive training programs, and topical and timely webcasts, serving over 50,000 academic and administrative leaders across 3,500 colleges and universities.

Amit leads and manages AI's research, programming, and publications on higher ed leadership development. Many of AI's research and thought leadership papers have been authored by Amit, including *The Other Higher Ed Bubble*, *General Education Reform: Unseen Opportunities*, and *Meeting the Challenge of Program Prioritization*.

Amit has consulted with dozens of higher ed leaders, cabinet members, and board members—discussing current challenges and practical solutions while helping to identify which issues they can address to best impact change at their institution. Amit is a frequent contributor to *Forbes*, discussing issues in higher education. He also serves as an active board member of The Challenge Foundation, an organization helping low-income students successfully earn a college degree.



## **DANIEL FUSCH**

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At Academic Impressions, Daniel provides strategic direction and content for AI's electronic publication *Higher Ed Impact*, including market research and interviews with leading subject matter experts on critical issues. Since the publication's launch in 2009, Daniel has written more than 500 articles on strategic issues ranging from student recruitment and retention to development and capital planning. Daniel previously served as a conference director for Academic Impressions, developing training programs focused on issues related to campus sustainability, capital planning, and facilities management. Prior to joining Academic Impressions, Daniel served as adjunct faculty for the University of Denver. Daniel holds a Ph.D. in English.

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## **PATRICK CAIN**

CONFERENCE DIRECTOR, ACADEMIC IMPRESSIONS

Patrick specializes in designing professional development offerings in finance, facilities, and enrollment management for Academic Impressions. He has partnered with many innovative leaders in the higher education sector to design practical programs on such challenging and timely issues as public/private partnerships, 21st century academic and residential facilities, shared services models, and finance and enrollment management partnerships.

Patrick's educational background is primarily in secondary level curriculum design. Prior to coming to work for Academic Impressions, he spent nearly five years in secondary classrooms, most recently designing and facilitating Advanced Placement English curricula. He holds a BA and M.Ed. from the University of Notre Dame.

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## **GARY BRAHM**

CHANCELLOR, BRANDMAN UNIVERSITY

In 2007, Gary Brahm became the founding chancellor of Brandman University and today, oversees a network of twenty-nine campuses, more than 2,500 faculty and staff, 12,000 students, and an annual budget of \$100 million.

Prior to his present position, Brahm served as the executive vice president for finance and administration and chief operating officer of Chapman University for over thirteen years. Brahm was responsible for enrollment management, financial aid, registrar, student life, investments, budgeting, information systems, human resources, facilities management and campus planning, and business services. He has periodically served as chair or a member of numerous WASC accreditation visiting teams.

He has presented on non-traditional education, online, and competency-based education at the American Council for Higher Education annual meeting, the Association of Governing Boards National Conference on Trusteeship, the Credit Suisse global conference, the WASC Academic Resource Conference and many others.



## **ARTHUR KIRK**

PRESIDENT, SAINT LEO UNIVERSITY

Dr. Arthur F. Kirk, Jr. served thirty-two years as a college and university president—effectively saving and transforming Keuka College and Saint Leo University. Prior to assuming Keuka College's presidency in 1984, he served as executive vice president and chief financial officer of Misericordia University for five years where he also led a transformational turnaround, as chief operating officer, reversing years of decline and putting the institution on a path to sustainable prosperity.

Dr. Kirk retired from the presidency of Saint Leo University in the summer of 2015. In his over eighteen years at the helm, Saint Leo University grew from a small campus of 730 students with a total student population of 7,100, most of them on 15 military bases, to a thriving campus of over 2,300 students and over 16,500 students total taking classes at over 40 locations in seven states and online. He built one of the largest and most respected online education programs among private, non-profit colleges in the nation. As part of that growth, Saint Leo University became the third largest catholic university with the largest catholic university school of business in the nation. Under Dr. Kirk's leadership, Saint Leo's annual revenues grew from \$26 million in 1997 to over \$170 million in 2015. Net assets grew from \$19 million to over \$175 million. The university's endowment increased more than tenfold and the combination of endowment and cash reserves exceeded \$100 million when he retired, up from \$6 million in 1997.

# CONTRIBUTORS

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**MELISSA MORRISS-OLSON, PH.D.**

PROVOST AND VICE PRESIDENT FOR ACADEMIC AFFAIRS,  
BAY PATH UNIVERSITY

As provost of Bay Path University, Melissa Morriss-Olson serves as the chief academic officer for the university and is responsible for oversight of the daily operations and for leadership of the university in the absence of the president.

Throughout her thirty-five year career, Dr. Morriss-Olson has gained a reputation as a creative academic entrepreneur. At her current institution, she has led the re-engineering of the learning community and structure including the development of the Thumbprint—Bay Path’s distinguishing educational aspirations—as well as the Women Empowered as Learners and Leaders (WELL) program. Under her leadership, a new academic structure consisting of schools and colleges has been established and faculty resources have been diversified and strengthened. Dr. Morriss-Olson has led the development and launch of twenty plus new graduate degree programs, resulting in a significant increase in student enrollment.

In her previous roles at North Park University in Chicago, she overhauled the enrollment management program, resulting in a 300% increase in total enrollment and founded and directed the nationally recognized Axelson Center for Nonprofit Management, one of the first academic centers of its kind in the country, and held the first Axelson endowed professorship in nonprofit management.



**KEVIN M. ROSS**

PRESIDENT, LYNN UNIVERSITY

Kevin M. Ross became the fifth president of Lynn University on July 1, 2006. Under his leadership, the university has made significant strides, including redesigning its core curriculum, the Dialogues of Learning; receiving a U.S. News & World Report ranking as one of the top schools in the country for highest percentage of international students; and being selected as the host site for the third and final 2012 presidential debate. The university was also recently recognized as an Apple Distinguished School for its iPad mini initiative, one of the most extensive tablet-based learning efforts in the country. Ross received his BA in English from Colgate University, MA in liberal arts from St. John’s College, and doctorate in higher education leadership and policy from Peabody College of Vanderbilt University.

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## SPOTLIGHT ON SMALL COLLEGES

Small colleges face unique pressures; their size makes it difficult to spread the impact of fixed costs, their tuition dependency can be a disadvantage, and having fewer resources means financial missteps can't be easily absorbed.

Yet smaller institutions *also* have a number of strengths their larger counterparts don't; they are more nimble and are able to react quicker to changes in their markets. And faculty and administrators often have closer personal relationships, which can enable trust and faster decision making.

In this paper, we profile four small colleges that have bucked the national trend of enrollment decline, highlighting four key themes that have empowered them to operate more innovatively to sustain growth:

### ■ **Theme 1: Securing the Resources for Growth**

- Setting aside a percentage of the operational budget to fund strategic initiatives
- Inviting donors to contribute into a special president's fund for innovation

### ■ **Theme 2: Developing an Outward Focus**

- Listening to experts from other industries to learn about new market opportunities
- Visiting organizations outside higher ed to learn how they innovate
- Developing a discipline for identifying and assessing new markets

### ■ **Theme 3: Overcoming Resistance to Change and Taking Risks**

- Involving the campus in defining core values
- Defining a vision worthy of people's commitment

### ■ **Theme 4: Pursuing Smart Experimentation**

- Prototyping and iterating new programs and projects
- Knowing when not to go forward

### **Featured in the Paper:**

- Art Kirk, President, Saint Leo University
- Melissa Morriss-Olson, Provost, Bay Path University
- Gary Brahm, Chancellor, Brandman University
- Kevin Ross, President, Lynn University



# SMALL BUT MIGHTY

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While the challenges facing higher education are well-documented, smaller institutions face a unique set of pressures. Their size doesn't allow them to spread fixed costs and capital investments, like new facilities, over a larger student population. Unless they have a leading position in their market, their tuition dependency is a significant disadvantage. And generally speaking, having fewer resources means a lower margin for error. Missteps, especially those with a financial cost, cannot be as easily absorbed.

Yet, smaller institutions have a number of strengths and advantages that their larger counterparts don't; their smaller size and more centralized administrations make them more nimble and easier to react to changes in their markets. Faculty and administrators often have closer personal relationships that can enable trust and faster decision making, something that is much more challenging for larger institutions. What's more, they tend to have a more focused mission around teaching and learning and community impact, and their faculty and students are often highly galvanized around these purposes.

These unique characteristics create a challenging dynamic and operating environment for smaller institutions. Six years after the recession ended, most leaders have made the easy decisions to trim and cut their budgets. Many institutions have frozen hiring, forgone raises, deferred building maintenance, and sold off easily disposable assets. While these budget cuts have allowed these institutions to limp along, they have not created a path forward. This is the conundrum—and the focus of this paper and of the upcoming conference [Foundations for Innovation at Small Institutions](#); how can smaller institutions harness their strengths and unique advantages to create a sustainable model for growth?

In our investigation of this topic, we have found a number of institutions that have bucked the larger trend, and in an era where many colleges are reducing the number of programs they offer and number of students they serve, these institutions are growing. How did they do it? We've profiled their stories in the following pages, and while their paths to growth differed, four key themes emerged that enabled them—and can enable you—to operate in new and innovative ways.

# THEME 1: SECURING THE RESOURCES FOR GROWTH

Many in higher education have come to operate under the assumption that future resources will not come from new revenues but from reallocation of existing ones. When traditional sources of revenue are increasingly strained, as they are now, this approach to budgeting is the most viable. Institutions can free up resources through the difficult but necessary examination and prioritization of existing programs (both academic and non-academic).

The challenge is that simply going through a prioritization process can be extraordinarily difficult. Most institutions don't have the disciplined practice of evaluating expenditures in a rigorous way. And in these cases, the goal can mistakenly be seen as simply balancing a budget that has become unbalanced. Once this process is over, institutions revert to their old ways of doing business. Over time, spending grows beyond available resources and institutions let broader market forces dictate whether they should grow or shrink.

Also, prioritization efforts address only short-term constraints; they don't usually address the longer term and fundamental challenges that an increasingly competitive marketplace poses. And the problem is this: Institutions cannot cut their way to sustainability.

In an era of budget cutting, you still have to find the resources to grow. This is easier said than done; when these resources come from existing operations, leaders will need to make tough, if unpopular, decisions to free up meaningful amounts. The leaders in our study all had this in common.

Art Kirk, president of Saint Leo University, follows the budgeting discipline advocated by Peter Drucker whereby organizations regularly abandon activities that are not deemed productive enough in order to free up resources for growth. They distinguish between a normal budget, which is funded at the very minimally appropriate level and subject to cuts as warranted, and the future budget that is focused on promising initiatives that should not be cut regardless of the economic forecast.

Melissa Morriss-Olson, provost at Bay Path University, advocates creating an innovation fund and having donors feed it. This combats the concern that budgeting is a zero-sum game and allocations to one department come at the expense of others. An innovation fund can be an important way to have resources ready to deploy when opportunities present themselves.

Art and Melissa's strategies are more than just smart budgeting. They know that higher ed is inherently aspirational and successful leaders tap into those ambitions; they work with the campus community to chart a direction worthy of people's commitment. Campus stakeholders will not galvanize around reallocation of the budget to address short-term budget shortfalls that recur every few years. They want to pursue something more worthy of their aspirations—something that holds the potential to transform the lives of students and their communities. They will support difficult decisions in the short run if they are in service of a more purposeful vision in the long run.

## THEME 2: DEVELOPING AN OUTWARD FOCUS

Successful institutions are always scanning the marketplace. They want to anticipate changes so they are positioned to respond, not react.

These leaders also know that, as Robert Zemsky pointed out years ago, serving your institution's mission and the marketplace are not mutually exclusive goals. In fact, the successful institutions in our study contextualize their mission in the broader marketplace. They know who they are accountable to—students, parents, local employers, etc.—and they remain fiercely disciplined to make sure they are in service of these external stakeholders, not the other way around.

These institutions have formed practices of listening to others, not just themselves. How do they do that? Kevin Ross, president of Lynn University, takes his senior team on regular field trips to visit other organizations, outside of higher ed, to see how they innovate. Twelve years ago, he and his team visited the storied design firm, Ideo, to learn how they use design thinking to solve problems with innovative solutions.

Melissa Morriss-Olson, provost of Bay Path University, has developed a discipline for being outward-looking. She encourages leaders at her own institution to make a real effort to be out talking with people, to ask people for their ideas all the time, and listen. It's about being alert to opportunities. Pump experts for information and perspective. She recalls a story where an infectious diseases medical professional stopped by the campus one day; he wanted to share his research and his strong opinion that Bay Path needed a graduate physician's assistant program. The president initially met with him and sensing a good opportunity, directed him to speak with others, who all asked him questions, listened, and concluded, "There's something in this."

Developing an outward focus cannot be solely the job of the president or executive team. Everyone on campus—especially those on the frontlines who directly and consistently engage with students, parents, businesses, donors, alumni, etc.—has to have a voice. Innovation naturally occurs on the edges; it cannot be mandated in a top-down way. Leaders have to create the right support structures to enable and empower these individuals to identify and share the data they are observing with key stakeholders.

## **THEME 3: OVERCOMING RESISTANCE TO CHANGE AND TAKING RISKS**

Once you have identified opportunities and secured funding, the challenge becomes generating the support and buy-in from the campus for the new efforts. And this is where the institutions in our study really shine.

These were not unique situations where a visionary leader brilliantly compelled everyone on campus to “see the light.” These institutions are not led by people who authoritatively pursued their desired ends by any means necessary. Like every campus leader, they struggled with entrenched interests, resistance to change, and a culture that wasn’t used to taking risks. We profiled people who, on a daily basis, focused on small steps and actions to shift the culture, generating positive results that then created more buy-in and support.

In Art Kirk’s case, he inherited a culture that was content to limp along—that wanted to avoid taking big risks and making mistakes. He knew he needed to shift the campus’ mindset towards taking initiative and collaborating. He began by doing a thorough mission review: surveys, focus groups, and involving the campus in the drafting of a new mission statement. The mission wasn’t changed but rather its focus was made more clear and concise to answer the question, “Why do we exist?”

He followed a similar process to identify a set of core values that could actually be lived at Saint Leo. They used the Organizational Culture Inventory® to measure their progress, and they invested in leadership retreats and leadership development programs based on these core values. Over 150 managers have gone through the program and remain with Saint Leo.

In a different example, Gary Brahm, formerly executive vice president of Chapman University, recognized that their University College couldn't compete for the growing market of non-traditional students. The mission and brand of Chapman University, and the focus of management, was on how best to serve the needs of traditional, residential students. They made the bold decision to spin off the University College and create an entirely new entity, Brandman University, with the sole mission of serving non-traditional students.

Gary, now chancellor of Brandman University, followed the same approach as Art—conducting an institution-wide process to establish the new institution's vision, mission, and values. Creating a consensus around these core ideas was essential in building the new culture and hiring faculty and staff who embraced their unique vision.

Under this new direction they were able to shift their entire model to serve non-traditional students at lower costs and higher quality. They radically redesigned which degrees they offered, in which formats, how they defined and measured student learning, how courses were designed and delivered, and how students would be advised and served. Despite enrolling students that graduate at historically lower than average rates, they have a 73% six-year graduation rate and a 3-year cohort default rate of only 3.5%.

## THEME 4: PURSUING SMART EXPERIMENTATION

Seizing opportunities is one thing; knowing how to do so successfully is quite another. The last decade is filled with examples like Fathom.com, UNext, and AllLearn where name-brand institutions spent millions of dollars to pursue online education and failed. Why were the institutions in our investigation able to spend less and succeed in their chosen innovations?

As they say, necessity is the mother of invention. When you don't have millions of dollars to invest, you have to think much more carefully and thoughtfully about how to grow—and the leaders in our study all chose to start small, prove the concept, and then scale according to their objectives.

Kevin Ross told us how Lynn University iterates and prototypes from a budgetary standpoint. Rather than adding a full-time person, add someone on a part-time or special-project basis. Don't jump into majors, first start with minors. These approaches not only enable you to test the market to ensure demand, they give you time to ensure the programs are relevant for the mission of the institution.

At any given time, Lynn University has six to twelve experiments running that could lead to full-blown programs. It is critical for Kevin that they make strategic investments in a metered way.

When Melissa Morriss-Olson intuits an opportunity, she reviews Bay Path's competitors, the extent of the market demand, whether Bay Path University can create a unique niche, and what the financial projections are. They have to demonstrate an ROI for the board. And if they can't answer the question, "Can we do this in a unique and compelling way that would add something new and important to the marketplace?" then they don't go forward. There have been a number of times when they have opted not to go forward.

When they find a candidate worthy of investment, they begin with a single program director and cadre of faculty adjuncts to pilot a program. They also leverage online tracks to create capacity for new students when they aren't able to do so on-ground. They have made significant upfront investments in building the right online infrastructure—both technical and faculty development—so their incremental costs are much lower, enabling faster and more cost-effective experimentation.

Making smaller and more frequent investments enables both Kevin and Melissa to be conservative in how they budget and forecast. They don't want to budget for significant growth, miss their targets, and then scramble to address shortfalls.

## TAKING A GROWTH MINDSET

The ways in which these institutions pursued growth have varied but their approaches were similar. In each case, the institution found new opportunities that built on existing strengths, served its mission, and served a need in the marketplace.

The leadership styles of the various individuals involved also varied—but in all cases they acted. They recognized their future was theirs to control. In all cases they faced resistance and pushback, but they made the tough decisions to free up resources, seize opportunities, and challenge long-standing assumptions and practices. They all made mistakes along the way but remained determined and steadfast in their pursuit of growth and mission.

In the face of so many stories about the business model in higher education being broken, we hope that these institutional models offer a different outlook. In the end, we hope these examples serve as catalysts for conversation—and ultimately strategic action—at your institution.

# HOW SAINT LEO UNIVERSITY IS BUDGETING FOR GROWTH

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**THEME 1: Securing the Resources for Growth**

**THEME 3: Overcoming Resistance to Change and Taking Risks**

Saint Leo University's story over the past two decades has been one of meteoric rise; the small college has established twenty-two centers—from extensions on military bases, office park locations, and satellite campuses—and was one of the early innovators in online learning, a gamble that has paid significant returns.

Recently, we had a long and invigorating conversation with Art Kirk, who has led Saint Leo University since 1997 and who will be retiring this year. He is someone other innovators in the industry speak highly of, and he stands out among higher-ed leaders as an especially opportunistic thinker, an intelligent risk-taker. The keys to his success have been courage in making difficult and unpopular decisions and the foresight to build into his regular budgeting process a margin for funding innovation. That way, when he sees a risk worth taking, dollars are available to take it.

Here is Art Kirk's story and his advice for other college leaders.

# MAKING THE SHIFT TO A STRATEGIC BUDGETING MODEL

## ART KIRK, SAINT LEO UNIVERSITY

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At Saint Leo University, budgeting is not solely about adding incrementally or, as it seems is increasingly the case in many private higher-ed institutions, incrementally shrinking budgets. Incrementally shrinking budgets need not be out of an institution's control. We have followed a discipline at Saint Leo—advocated by Peter Drucker many years ago—to abandon activities that require the resources of personnel or money, indeed even time, if they are not productive enough. This discipline is one of the main reasons the university's annual revenues have grown 49% since 2008-09 at the start of "The Great Recession," and the university's accumulated net assets (net worth) more than doubled (+112%) during that same time.

In 1997-98, with my first budget at Saint Leo, we reallocated \$600,000 by abandoning some activities and programs and cutting some others to develop online infrastructure, content, and services to launch online programs. Our total budget then was \$26 million and tenuously balanced, at best. Our faculty did not have university-supplied computers, every roof leaked, salaries were depressed. The need for that \$600,000 could be found everywhere in the institution. We generated less than \$90,000 in online revenue that year. This year we will exceed \$85,000,000 alone in online tuition revenue (about half our total revenue), from nationally marketed and self-operated fully online undergraduate and graduate degree programs and from online courses available to our students on campus or through one of the forty locations where students learn in traditional classrooms. Even some of those classroom courses are blended.

When I explain the university's budget discipline in our internal leadership development program for administrators and faculty chairs, I ask them where we would be today if we had waited back then for an extra \$600,000 to invest in online programs. My answer: still waiting. Our budget provides the resources required to launch new programs, new locations, and new activities successfully and well. One academic program dropped, another added. Two locations eliminated, one added.



# WHERE TO START

Jim Collins in *Good to Great* also advocated this kind of budget process: “In a good to great company, budgeting is a discipline to decide which areas should be fully funded and which should not be funded at all.”

A similar budgeting discipline is needed more than ever in colleges today. To get started:

1. Forecast revenues accurately
2. Reserve a minimum of 3% or more for surplus and contingency
3. Reserve 2-3% for future strategic initiatives
4. Identify what can be abandoned or reduced, aiming to cut 2-3%

*Then*, determine and allocate resources for “business as usual.”

## 1. FORECAST REVENUE ACCURATELY

You need to be **realistically conservative**. You don’t want people under-promising and always over-delivering. You need your people to give you forecasted enrollment numbers that they are confident that they can deliver on, but without under-promising.

You need to forecast based not solely on historical trends; you also need to consider what is changing in the market. For example, the military is downsizing; each branch is seeing a reduction by 20% in their troop force. After the reduction, the Army will be down to a number of troops lower than they have seen since before WWII. That is going to affect our enrollment on military bases. Five years ago, enrollments on military bases were booming. Those kinds of demographic changes have to be factored in.

Getting that forecast right is absolutely critical. Part of what I tell people is that it is much easier to add than to subtract when the time comes. If we have more students and we need to add sections or even add academic advisors and support staff, that is pretty easily done. But if you *overforecast* and *underdeliver*, you don’t have the revenue you thought you would have, and you have to reduce sections or reduce support, that is much more difficult.

Wishful thinking about enrollment can get a college in a lot of trouble. When a college overforecasts, perhaps projecting a 10% increase in their freshmen class after three years of consecutive declines, that isn't based on any knowledge of the market or any serious consideration of what they can get, it's based on what they need for their budget. It's wishful thinking.

Often, in that situation, colleges look at data that they really shouldn't be relying on, such as data from peer or nearby institutions. If a peer institution is growing steadily, there is an assumption that "if they can do it, we can do it." Or at times, a college may look at the pool of hundreds of thousands of prospective students with the mindset: "We only need 30 more; that should be easy to do." Well, not necessarily.

A year or two ago, I heard five different institutional leaders articulate their strategies for reversing their enrollment declines and revenue declines. All five were located in the Mid-Atlantic states, and all five suggested the same strategy: "We're going to recruit more international students, more out-of-state students, and more full-pay students." The question then is: How? That doesn't happen overnight. That is like looking for a fall harvest when you haven't tilled the fields and planted the seeds in the spring. You can't cross the border, visit schools you've never visited, and say, "Here we are," and expect that to pay off in the first year. You aren't going to see many enrollments from that effort in year one, even year two. Maybe in year three and year four, that effort is going to start paying off. It isn't as simple as "If we just go there, they will come."

Besides forecasting revenue accurately, you also need to have **stretch goals**, so that your budget targets are not necessarily your enrollment goals. We are more conservative in setting our budget than we are in setting our objectives.

## 2. RESERVE A MINIMUM FOR SURPLUS AND CONTINGENCY

We reserve a minimum of 3% for surplus and contingency. Especially if you are starting from a deficit, you have to work your way toward this.

The first order of business is to balance the budget -but balance it in a way that is preparing you for the future. **You can't cut your way to prosperity.** You *can* balance your budget by continuing to cut here and cut there, but you aren't going to be any better off. In fact, depending on how and where you cut, you may be worse off the next year.

When you reduce your budget simply by not filling vacant positions, you don't receive a lot of hostile feedback. Though you have sustained the employment of some nice people, you will almost certainly have weakened your institution. When you are, instead, cutting positions that you actually do not need—or that you cannot afford any longer—that is a much tougher decision. You have to make those tough decisions.

At Saint Leo, we regularly eliminate academic programs; over the last six or seven years, we have eliminated at least five academic programs. Their useful life was over, for one reason or another. One just never launched properly, and after three to four years, we ended it. That is the kind of discipline you need, because those resources are vital for investment in the programs that will make you strong for the future. If those resources continue to get absorbed in programs and activities that are deadwood or obsolete (whatever term you want to use—they are past their useful life), then there aren't resources available to do what you *need* to do.

### 3. RESERVE 2-3% FOR STRATEGIC INITIATIVES

At this stage, reserving 2-3% is easy. In the nineties when I came here, it wasn't. In my first full-year budget (97-98), I squeezed out \$600,000 on a \$26 million budget, a little over 2%, and invested it all in *one* strategic initiative that looked likely to present us with significant return. That was the development of our center for online learning, and that has paid off handsomely for us.

Every year since, in November, we have a planning retreat, with twenty vice presidents, deans, staff members and faculty representatives at the table. The outcome, with everyone contributing ideas, is three to four strategic initiatives that will be the basis for the following year's budget.

Here are examples of our initiatives this year:

- Our **smart growth** initiative is in its third year. It involves doing sophisticated predictive analytics to identify and vet new programs, to identify new locations for a center, and to identify which programs make the most sense in each of our twenty-two centers. That involves a look at personnel, software, outside consulting—to put together a process that is informed and driven by data rather than conjecture to make these resourcing decisions. For example, we look at key indicators or characteristics of successful Saint Leo students; we look at the demographics. Then, in identifying a location for a new center in a given city, one thing we can look for is where in that city are there concentrations of potential students that match those characteristics?

- **Ameliorating textbook costs** is another key initiative this year. High textbook costs mean a longer time-to-degree-completion for students; if students have to slow down because the books cost so much, they may not be able to complete. So how can we mitigate the pressure that the high cost of textbooks places on the student?

Two years ago, we had a MOOC initiative when MOOCs were all the buzz. Our initiative was to conduct the early research and analysis, and the objective was to reach a decision on whether or not to begin offering MOOCs. That was a one-and-done initiative, because we decided not to pursue a MOOC. Our model is focused on offering students individual attention and support, and you can't do that in a MOOC. It wasn't the right fit for us.

## 4. IDENTIFY 2-3% THAT CAN BE REDUCED OR CUT

This has to be a discipline. Every vice president and the athletic director report directly to me. They must, near the end of the budget process, review with me what they have stopped doing, how they have reallocated resources from shrinking areas to growing areas or from less relevant items to more relevant items, and what they are doing differently. That is a key part of our budgeting process. Every vice president is expected to identify things they will no longer invest in.

The goal of 2-3% can be a soft number once it becomes part of the way you do business. Jack Welch had that accountability system for personnel where the bottom 10% get cut every year. My daughter worked for GE; that 10% becomes a soft number. After you cut 10% for a while it gets harder, because you have nothing but really good people left. And it's the same with our 2-3%. But every year, every area is making reductions and reallocating resources. It is going on all the time.

To get started, you have to:

1. Refocus people on the mission. Why are we here in the first place? We are a teaching institution, so student success has to be more important than what particular departments want to do.
2. Establish very clear core values. Those core values need to be guideposts for decision making.
3. Undertake the vision and planning
4. Ensure that there is accountability for execution

This is not just about enforcing a new budgeting process. The anthropology is actually more important than the economics. It is about building a sustainably successful culture; that requires clarity about where you're going and what you expect—and absolute consistency in requiring it. If you have the nicest people in the world and they can't do it, they're either in the wrong job within your institution or they're at the wrong institution.

If you want to grow your institution in the 21st century, making tough budget decisions and securing the margin for innovation isn't something you can be timid about.

# HOW BAY PATH IS DRIVING ENTREPRENEURIAL GROWTH IN WAYS THAT LIVE (NOT DILUTE) THE MISSION

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## THEME 2: Developing an Outward Focus

In *The Luck Factor*, psychologist Richard Wiseman from the University of Hertfordshire concludes a ten-year study of behaviors shared by habitually “lucky” people with the observation that what we call “luck” actually consists largely of observing one’s surroundings regularly and taking notice of chance opportunities (which others miss) and having an entrepreneurial mindset.

If Wiseman is right about luck, that kind of “luck” may be written into the DNA of Bay Path University. Melissa Morriss-Olson, the institution’s provost and vice president of academic affairs, attributes the university’s rapid and successful growth—adding nineteen graduate programs in the past decade—to a combination of “luck” and careful planning, vetting new opportunities through a thoughtful process. “Each of those added programs,” Olson notes, “has done well enough to justify its continuance. Each program has drawn from the marketplace enough to be sustainable.”

That didn’t happen by chance.

In a recent interview, we asked Morriss-Olson to tell the story of that success.

# MISSION AS THE CORE CRITERION FOR EVALUATING NEW OPPORTUNITIES

MELISSA MORRISS-OLSON, BAY PATH UNIVERSITY

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I consider myself an academic entrepreneur. My entire career in higher education, I have been focused on developing new programs or initiatives, on asking the question, “How can we do this in different ways?” At Bay Path, we have been very intentional about nurturing our mission and growing at the same time.

We undertake vision planning every three years, and that is when our executive team reviews new opportunities that are both mission-centric and entrepreneurial. But we are also highly flexible as an organization so that we can respond to new program opportunities whenever or from wherever they might emerge.

When we propose new programs, we have a feasibility study template that we typically use. One of the first items on that template is: How does this new program relate to the mission? How does it expand and leverage the mission? So we are proactively looking for new opportunities and then checking everything against the mission.

We’re a hybrid institution. Our undergraduate programs are women-only, and we believe that our mission of serving women is what makes Bay Path distinctive. Though our graduate programs enroll both men and women, they need to be tightly related to our mission:

- When we decided to add an MFA in creative nonfiction, we designed it to focus on writing program emphases of particular appeal to women such as telling women’s stories
- Our decision to add our master’s in cybersecurity management was driven in part by data on growing opportunities for women in that growing field
- When we designed our master’s in leadership and negotiation, we designed a program that integrates cutting edge thinking about negotiation with leadership, knowing how critical this skill is for women in leadership roles

All three of these are co-ed graduate programs that expand our enrollment while serving our core mission. Competition is fierce for resource-constrained small schools. The critical management strategy for us is to decide what strategic position (programming niche, mode of delivery, competitive advantage) best serves our mission in the marketplace in a way that is unique and durable. Referencing our mission in answering that question is what gives us a reason for being at the end of the day.

One of the important strategic questions for a college that serves women is whether to retain this focus across all programs. Some of our sister colleges have elected to develop graduate programs that retain this women-only focus. We interpreted our mission a bit differently; we defined relevance differently. Our first graduate program was focused on a profession in which 60% of the professionals are women; the decision to make it co-ed was driven by a broader understanding of our mission: not just that we are serving women, but that in each of our graduate programs, we are preparing practitioners and professionals who will be operating in the workplace with an understanding and appreciation of the role of women in the workplace. The decision was about relevance.

## THE ART OF DEVELOPING NEW PROGRAMS: AN ENTREPRENEURIAL APPROACH

At Bay Path, we like to say there is no bad idea. But we rely upon a combination of art and science to decide *which* idea to move forward on.

The art is the way that a new program opportunity appears on our radar in the first place. Some of the best ideas have come from very serendipitous places.

Take, for example, cybersecurity. I was interviewing an undergraduate in the criminal justice program who was planning to apply for a master's in cybersecurity at a different institution. She told me all about how her undergraduate program in criminal justice was preparing her for that. After she left my office, I did some quick Googling and began to gather information. I felt an internal nudge; I have a good sixth sense. The more I read about cybersecurity, the stronger that nudge grew. That's the *art* side of this. You have to have an outward-looking, entrepreneurial spirit and trust your gut instinct.



I don't think academic leaders do this regularly enough. You need information coming in from outside on a regular basis. You need fresh new ideas. You need to rely on more than just internal knowledge and impressions. You need good instincts about what is a natural living-out of your mission and a natural extension of your mission. And you need to spend enough time outside of your office so that you are continually exposed to new opportunities.

## THE SCIENCE OF DEVELOPING NEW PROGRAMS: A RIGOROUS APPROACH

Second, the *science*. We have a formal vetting process.

This starts with an extensive feasibility study. Internally, we review:

- Will this program build on our existing areas of strength? That is going to be critical to the program's success.
  - When we did this study for our master's in clinical mental health counseling, we noted that we have a lot of undergraduates in psychology who go elsewhere for their master's
  - Our criminal justice undergrads were seeking graduate degrees in cybersecurity, so that told us we had a strong potential market there
- Is there an individual on campus who can serve as a champion for the new program?
- What is the relationship between this program and our mission? The more mission-central a program, the more willing we are to take greater risks on it.

A proposal has to be both durable and defensible. Be alert to opportunities and then assess those opportunities with rigor and discipline, rather than just throwing things at the wall to see what sticks.

# PLANNING TO OPERATIONALIZE NEW PROGRAM DEVELOPMENT

Small colleges can operationalize easier; we lack some of the politics of the big institutions. In our feasibility study and in the program proposal that go to the board, we include a four-year pro forma, mapping out all of our assumptions for revenue, our curriculum (how many credits will be generated at what tuition level), the tuition pricing supported by comparison with similar programs at other institutions, and projected expenses for four years. We tend to be very conservative in our assumptions about staffing. For most of our graduate programs, we start with one full-time person who owns the program—a director—and then we use mostly adjunct faculty for the first couple of years.

The board likes to see a break-even within one year of getting the program up and running. So the assumptions for revenue have to be believable, and they have to result in a break-even budget position within one year.

These assumptions are different for each program—informed by market analysis. For example, for occupational therapy and physician's assistant programs, we had built-in marketing sightlines. For other programs, we know we have to spend more on marketing.

That first checkpoint—is this feasible financially?—has to be answered before moving forward. Once the program is greenlighted, the program director, the dean, the chief financial officer, and I meet regularly and revise assumptions as needed. This year, we rolled out three new programs. Enrollment projections came in above in one case, under in another. So a continual retooling of the budget assumptions is needed, especially in the first couple of years of a new program.

The key is to start small, investing conservatively on the front end. Then, once you are sure the program is financially sustainable, grow fast. We build as we go; we continually review and adapt.

# SCALING AND MANAGING CAPACITY

Start small, manage your capacity, then scale. We've found four ways to do this.

First, staffing. We typically start with one dedicated program director and a cadre of adjuncts when we are initially piloting the program.

Second, we have established off-site campuses, one in central Massachusetts and one outside of Boston. These are both good revenue generators; we deliver our graduate programs in education and psychology across the state through these off-site campuses.

Third, we've brought up an alternative, online track for our most successful graduate programs. The scenario is that the program is successful but we don't have the capacity on the ground to add students—so we create an online track. This works because we have made the investment in infrastructure to support online learning at a high level of quality. For example, we established The Center for Online and Digital Learning to work with our faculty who are developing courses and teaching online. That's what you have to do: Make the up-front investment to support *doing it well*, then look at each individual program to determine if that program is a good fit for adding an online track.

Fourth, same curriculum, new delivery model. For example, with our master's degree in occupational therapy, we are seeing hundreds of applications from students that we don't have the capacity to admit. So we are planning to launch a bridge program that would allow students to skip the baccalaureate program altogether. In our state, there are a lot of occupational therapists that have a two-year OTA but no bachelor's, and the master's is now the entry point into the profession.

There are two educational pathways for occupational therapists, one for the OTAs and one for those who pursue the master's degree. These two pathways are not well aligned, meaning many OTAs find it difficult to go on for their graduate degree. Many need to work and cannot afford the time or money to pay for extra credits to make up the credits needed for admittance into the graduate program. We plan to offer the bridge in a different delivery mode, on weekends and online, so that working students can get the courses they need on their time to complete the master's in occupational therapy.

So the infrastructure is already in place for this new program. The bridge program enables us to expand capacity while also expanding our outreach to the marketplace and also meet a critical professional need for many students who are stuck.

Think creatively about how you can expand existing offerings in new and unique ways to meet real marketplace needs. Not enough of us do this. For most of us, these opportunities are right in front of us if we take the time to look deeper.

# HOW BRANDMAN UNIVERSITY HAS SEIZED THE OPPORTUNITY OF NEW STUDENT MARKETS

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## THEME 4: Pursuing Smart Experimentation

Brandman University serves several student populations that are regarded as “at risk.” Brandman is a Hispanic Serving Institution with a high percentage of military and veteran students, and two thirds of their students receive the Pell Grant. Yet, despite enrolling students that, historically, graduate at lower than average rates, Brandman has a 73% six-year graduation rate.

The leadership at Brandman attributes this completion rate to their innovative approach to delivering courses and student services. Originally University College at Chapman University, the college made the bold decision to become a separate non-profit institution in 2007. This allowed the newly formed Brandman University to rethink policies, procedures, and academic programming to be responsive to the needs of non-traditional students at lower cost and higher quality.

Recently, we spoke with Gary Brahm, past executive vice president of Chapman University and current chancellor and CEO of Brandman University, to learn more about what opportunities they seized and why they have been so successful in serving their non-traditional non-student population.

# THE DECISION TO SEPARATE

## GARY BRAHM, BRANDMAN UNIVERSITY

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You asked me what drove the decision to make Brandman a separate entity. There were a number of factors:

- 1. Mission Clarity** - The mission of Chapman University differs considerably from the mission of Brandman University. The needs of traditional, resident students differ considerably from non-traditional students. It is difficult to focus on two such different missions within one institution.
- 2. Focus of Management** - The board of trustees and management of Chapman University are devoted to the mission of serving traditional students. University College competes with institutions where the boards and management spend every day responding to the challenges of managing a non-traditional institution. Separate boards and management teams for each institution facilitated focus on very different missions.
- 3. Curricular Flexibility** - Separate accreditation gave Brandman the ability to manage new program development with an internal approval process. For example, as part of Chapman, Brandman was unable to offer business degrees because Chapman's School of Management and Business is accredited by AACSB, whose guidelines are far too restrictive for a non-traditional institution.
- 4. Branding** - The branding of degrees from a selective, high tuition, traditional institution and an open enrollment institution with fully online programs can cause confusion in the marketplace. Separation enabled both institutions to develop their brands without confusion. Separate branding also enables each institution to offer similar degree programs without concerns for internal competition.

# RETHINKING ACADEMIC PROGRAMS AND SERVICES

We set out to serve non-traditional students in non-traditional ways, tailored to their needs. We used the separation to evaluate and adopt best practices in academic program development and delivery:

- We launched our first fully online degree program. Ultimately, we converted all programs to be offered fully online, on ground, or in combination—students choose.
- We converted all on ground classes to be taught “blended” with twenty-four on-campus hours and twenty-one online hours. This is considered a Department of Education best practice.
- We incorporated Lumina’s Degree Qualifications Profile (DQP) and AAC&U Liberal Education and America’s Promise (LEAP) initiative outcomes into the general education and baccalaureate programs
- We changed our course design process to include a team headed by faculty as subject matter experts, instructional designers dedicated to each school, and technology specialists
- We established a Center for Instructional Innovation to provide faculty training, oversight of courses and continuous improvement

We also launched the following best practices in student services:

- Professional dual advising model that assigns each student their own adviser for their entire time at Brandman
- One Stop student services enabling students to have all administrative matters resolved by one call or visit
- Coaching for students for their first twenty-four weeks at the institution

# RETHINKING ORGANIZATION, POLICIES, AND PROCEDURES

As part of becoming a separate institution, we conducted an institution-wide process to establish the institution's vision, mission, and values. Creating a consensus around the vision, mission, and values was essential in building the new culture and hiring faculty and staff who embraced our unique vision.

Our governance structure is fairly traditional, but that total focus on mission and values enabled us to build on that new culture. We had the rare opportunity as an existing institution to capture the energy of a new venture. We took advantage of the unique situation to rethink everything, using in-depth research of best practices as our guide. Ultimately, we did our own system conversion (to Banner) in order to have everything designed specifically for the needs of non-traditional students. We now share library services with Chapman because it is very efficient and benefits both institutions, and we continue to benefit from jointly purchasing insurance. Everything else has been reengineered and transitioned to our institution.

Our outcomes speak for themselves. We serve a student body that typically has more challenges in graduating and in repaying their loans.

- We are a Hispanic Serving Institution (HSI)
- 43% of our students are from underrepresented groups
- 46% of our undergraduates receive Pell Grants
- 23% of our enrollments are active military or veterans (27% if you include dependents)
- 49.4% are first-generation students

Yet, using CSRDE criteria, 73% graduate in 6 years and our most recent 3-year cohort default rate is just 3.5%.



## MOVING FORWARD

Today, we continually scan the environment and evaluate what innovations to pursue. Recently, an academic team led by the provost and the vice chancellor of institutional assessment and planning conducted environmental scanning to determine what might be the next disruptive innovation in higher education. We were looking for a way to reimagine our curriculum to be more relevant and effective in closing the achievement gap for non-traditional students and in closing the skills gap employers have noted. And we wanted to tap their existing strengths—personalized academic coaching and online/blended course delivery. Our team developed concept papers detailing the possibilities and presented these to the institution and the board.

Two of the possibilities they took a particularly close look at included MOOCs (which we rejected as not a potentially significant disruption) and competency-based education (CBE). We decided that CBE provided unique opportunities to align student and employer needs and improve access to higher education by increasing affordability and flexibility for students.

We were uniquely positioned to try CBE online because technology was already such an integral part of our institution and our students' experience. All of our on-the-ground courses have gone to blended. We understand how to work with students remotely. That prepared us to launch an online competency-based program.

# HOW LYNN UNIVERSITY HAS INVESTED IN ITS CORE

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**THEME 2: Developing an Outward Focus**

**THEME 4: Pursuing Smart Experimentation**

We've looked at an array of approaches to smart growth for the small college: Art Kirk is opportunistic, Melissa Morriss Olson is an academic entrepreneur, and Gary Brahm, taking a page from Christensen's playbook, has worked to disrupt the institution by creating a separate organization.

Lynn University's story is a different one. Kevin Ross, the institution's president, has focused on making strategic investments and improvements to the institution's core. Ross believes in having a very concrete sense of who you are and why you do what you do. Turning the ship around from enrollment declines at the start of the economic downturn, Ross has seen sustained enrollment growth for half a decade.

Ross is a fascinating man to talk to; you hear him use a lot of language that sounds more like Silicon Valley than the Ivory Tower, words like "hustle" and "iterate" and "prototype." You also hear how deeply grounded he is in the culture and history of Lynn University. He combines a deep commitment to mission and to doubling down on the core with an entrepreneurial tolerance for risk and a desire to pursue smart experimentation in moving his institution toward the future.

# KNOWING WHO YOU ARE

## KEVIN ROSS, LYNN UNIVERSITY

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My father served as president of Lynn University before me, so I arrived here in 1972 when I was first born, and I grew up with a different perspective on campus than most, because as a child and as an adolescent, I knew the place; there has always been a great sense of community here.

Some of the distinctive characteristics of Lynn University's focus that you've asked me about—our attention to international students and their success, our support for students with learning disabilities, and our belief that every student can succeed—these were inculcated long before I was here.

We were founded originally as one of the Marymount schools; we were a two-year Catholic women's college. The sisters who ran the place were remarkable—they were classicists, and they were also very active in the community; they marched in sympathy to Selma, and though they were Catholic they started the town's first Jewish temple here in Boca Raton. They were the ones who started our international base—they were bringing young women in from all over the world to learn here. That focus is part of our history.

In our Strategic Plan 2020, we took a close look at our core curriculum, recognizing that we had grown so quickly in our early days that there was some unevenness to our curriculum. We wanted to smooth that out. We talked about the fact that at the end of the day, when a student was taking a public speaking course, a history course, a math course, and a science course, it didn't necessarily add up to a cohesive experience.

After a year-and-a-half of looking internally across our faculty and looking externally to corporations—to see what skills they are really looking for—we developed the Lynn Dialogues, where all students, regardless of major, develop competencies in:

- Belief and Reason
- Justice and Civic Life
- Self and Society
- Scientific Literacy
- Quantitative Reasoning

That gives the students an experience they don't necessarily get at any other institution. That distinctive Lynn University experience really pulls first- and second-year students together. The competencies used to be divided up between classes. Now, in every class, you're reading a lot, you're writing a lot, you're presenting a lot, and you're learning collaboratively with your classmates.

## COMPETING ON YOUR OWN TERMS

And we need to be really clear with students about what distinctive experience we're offering—particularly in south Florida, which is an over-saturated market, with lower-priced options at public institutions. Students understand that when you come to Lynn, you're going to take part in the Dialogues. Your class is going to be reading a lot of the same texts, you'll be discussing related issues.

When we began shaping our class to meet the goals of our strategic plan, we didn't take the approach a lot of small institutions did, of increasing the discount rate while growing the enrollment; our discount rate is 21% and has been for a long time.

Instead, we focused on stabilizing and ensuring that we are recruiting right-fit students who will persist and be successful at Lynn. Increasing the throughput rather than just the input—increasing retention—is a way to generate additional resources. That focus has led to initiatives like our academic coaching and early intervention: When we see a student faltering, we intercede pretty quickly. But it also leads to initiatives on the front end, such as our campus visit program where students get to “kick the tires.” The students want to know that this is the right place for them, and we want to know that this is the right place for them. We want to know that they really want to be here and will put in the effort, if given the support structure, to get through.

The economic downturn was tricky. We knew that for a couple of years we would have a smaller but higher quality class; our entering class was in the 400s at one point; we knew how long we could sustain that, and we knew we had to stay the course and have what we call “ruthless patience.” Now our class is closer to 700 students.

We are an enrollment-driven institution, and we're proud of that. I've had folks say, “We're so dependent on tuition,” and my response to that is: “Well, what are we supposed to be dependent on?” We're a young institution with a small endowment, and that is okay. I think sometimes a large endowment can become an excuse for poor planning.

## CULTIVATING A CULTURE OF INNOVATION

We consider ourselves more the early adopter than the innovator. We don't have the deep pockets to be doing groundbreaking work on the new-new, but we are watching emerging trends not just in our own sector but in private industry: we look and think, "Wow, that would really work well here. Let's go talk to those people. Let's see these things for ourselves."

This outward focus is written into our curriculum and into the entire Lynn experience. We have a former undersecretary of the UN as faculty in residence; we send our students out on field trips, too. We have a January term that is our "Do" semester, our experiential term where we create opportunities and experiences, whether local, national, or international, for students to go out and learn and do things firsthand. We had one called "So You Think You Want to Be a Teacher," with our students embedded in Palm County classrooms for three weeks, side by side with teachers every day, seeing the challenges and triumphs those teachers have. One of the best things that came out of that was that we had some students who realized they weren't cut out to be teachers, and we also had some business majors who found their passion. But they wouldn't have known that without the firsthand experience.

Innovation is a mindset. For us, it is part of the fabric of our culture. It requires a certain humility. At Lynn, we say around here that it's fun working at a place that's not done yet.

## SMART EXPERIMENTATION

We've developed a prototyping process and an academic program mix analysis, where we look around us to see who else is offering a program, at what price point, whether there's a demand for it. There's a high degree of analysis that we do when starting up a program.

We do a lot of charrettes to get the "end user" perspective. The worst thing we could do would be to cook something up without the end user in mind, without the opinions of the faculty who will actually be delivering a new program.

And we take a conservative, "scrappy" approach to budgeting. We are conservative in projecting. When you look at what you saw last year—if your goal was 600 new freshmen and you brought in 654, set this year's goal at a 10% increase on the 600, not a 10% increase on the 654. One year is

not a trend; five years is. Decisions can't be driven by wishful thinking about enrollments; we want to see that trend line stay in place for a while.

If someone wants to add a new full-time person, we have them teach one term or do a special project with us, and we test. Or that new program, we start offering it as a minor, and test its relevance to our mission and its relevance to the market demand. At any given time, we have half a dozen to a dozen "test balloons" flying, and some of those will lead to full-grown programs. We have our core competencies, we have our core curriculum, and we like to experiment around the edges; sometimes those experiments will lead to fully adopted programs.

## THE HIDDEN OPPORTUNITY FOR SMALL COLLEGES

A lot of small, independent institutions lack the bureaucracy that larger institutions have to deal with, and I believe this is a time for independent institutions to thrive. If you look deeply into your institution and why you were founded and why you exist and how you can differentiate yourselves, whether the key is in your region or in your mission or in the programs you have historically offered, the answers are all there. Around here, we have what we call the Lynn Way, which is: Prototype it, iterate it, learn from the results, and move forward quickly. We are willing to fail a lot, and we have a culture where we're willing to try things and learn quickly. We have to hustle if we're going to be relevant.

When I look at our industry, I am disappointed when I see an institution that can't get out of its own way, or when I see an institution that has become drafted from its mission because it has kept rolling downhill like a snowball, adding and adding and never getting rid of anything. I get excited hearing stories of institutions finding new ways to deliver value and reimagining the college experience, in many cases to do what they've always tried to do but do it better: connecting students with real work in the world, connecting students and faculty more closely.

When the higher education enterprise is looked at as being slow and you are able to move more quickly, you have the opportunity to insert yourself into the student market as a refreshing alternative.

# CONCLUSION: THE NEED FOR BOLDNESS IN MOVING FORWARD

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Turning the helm of a post-secondary institution—even a relatively small and nimble one—is no easy task, and it requires a great deal of boldness and planning on the part of the institution’s leaders. Yet, in the wake of Sweet Briar and other closings, it is increasingly clear that this shift to a growth mindset is critical if small colleges are not only to survive but thrive in the years ahead.

Though we’ve interviewed highly successful leaders for this paper, we don’t want to just paint a rose-colored view of small college growth. There is great opportunity and also great challenge. We asked several of this paper’s contributors to comment on some of the toughest issues they faced in turning around or accelerating the growth of their institutions, and how they addressed these issues.

## ADDRESS FACULTY RESISTANCE

### MELISSA MORRISS-OLSON, BAY PATH UNIVERSITY

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Bay Path is unusual. At my previous institution, dealing with entrenched faculty was a challenge. For some provosts, it is really, really difficult to do what I can do at Bay Path, because their faculty have a very traditional mindset.

I will say that at that previous institution, one thing that was really helpful, especially with new things that may be controversial, was to find a champion within the faculty. For example, in considering online programming, you can always find faculty who are early adopters. You need to find those within your institution who have the capacity to get excited about thinking in new ways. Cultivate them, have them be the champions and spokespeople within your faculty.

The other way to establish the capacity for innovation and piloting new programs is to create an innovation fund. Westminster College did this really well with their PIN (President's Innovation Network), where they asked donors to give into a fund specifically for piloting new programs and projects that would help the college deliver a superior student experience.

A lot of faculty worry about budgeting being a zero-sum game: If the provost takes money that should be mine and gives it to another department, then I have less money to use. Establishing a separate fund for innovation bypasses that issue.

## BE FLEXIBLE

### MELISSA MORRISS-OLSON, BAY PATH UNIVERSITY

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There is both an opportunity and a challenge in being innovative. You have to stay flexible enough that you're bringing new programs forward and you must stay flexible enough to adapt and revise programs as you learn from your real-time data. After all, not until you put the program in place and enroll your first year of students will you know if your expectations about the market's response were right or not.

There have been cases where we didn't enroll as quickly as projected, and we had to rely on more adjunct faculty for a second year, though our original pro forma specified the hire of a second full-time faculty member. In other cases, we under-estimated the market response, and we had to gear up more quickly than anticipated because we had more students.

Make sure your admissions leaders and your academic leaders work closely, hand in hand. Your admissions staff are out in the trenches talking with prospective students and hearing their feedback. You need to make sure your academic leaders hear that feedback, too.

In higher education, we love to create, but we don't like to pull the plug. "At what point do you pull the plug on a program that isn't working?" is a critical question. Our rule of thumb: It takes three years to know if a new program has legs or not. That assumes that you are making changes and adapting in those three years. *If* something doesn't work in year 1 as you thought it would, it's critical to revise right away. If you aren't seeing a positive trajectory after three years, then you have to do some real soul-searching. Is there a market for this or not?



# DEVELOP YOUR INTERNAL LEADERSHIP

## ART KIRK, SAINT LEO UNIVERSITY

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Going into our turnaround, I faced a strongly dependent/avoidance institutional culture, which is the opposite of what is needed to be successful in a turnaround. This kind of culture takes no initiative and avoids responsibility. We needed a culture that instinctively initiated and collaborated. Success was impossible until the university's staff learned to work together to compete in the marketplace and not expend their energy competing with one another by avoiding responsibility and blaming others.

We have done organizational culture inventories (OCI) every year since 1998 to measure our progress in changing the culture to a “winning” one.

In 2004 because of the OCI results, I implemented a cohort leadership development program for managers and department chairs on how to lead and manage based on our core values. Over 150 people have gone through the program (twelve classes) and remain with us. They meet a full day a month with a structured curriculum and outside facilitators. The “alumni” meet quarterly.

## CONTINUE THIS CONVERSATION

Continue the conversation by sending your institution's president, provost, and CFO to the upcoming AI conference [Foundations for Innovation at Small Institutions](#), to discuss ways that smaller institutions can innovate—with our expert panel:

- Gary Brahm, Chancellor, Brandman University
- Arthur Kirk, President, St. Leo University
- Melissa Morriss-Olson, Ph.D., Provost and Vice President for Academic Affairs, Bay Path University
- GT Smith, President Emeritus, Chapman University and Davis & Elkins College

This unique professional development opportunity will combine expert presentation with tailored consultation. [Learn more about the event here.](#)

### And if you:

- Are interested in participating in the conversation around smart growth for small colleges,
- Have a powerful example to share of how your small college has seen enrollment growth, or
- Want to know more about our upcoming conference on innovation at smaller institutions:

...then contact Amit Mrig, President of Academic Impressions, at [amit@academicimpressions.com](mailto:amit@academicimpressions.com). We would love to continue this conversation with you.



# CONFERENCE

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