

Bringing the Best of Business Strategies to Higher Education

Check out any edition of the Amazon.com or the *New York Times* nonfiction bestseller lists, and you'll always find a few business books in the mix. Right now, for instance, corporate America is searching for wisdom about the impact of globalization, reading through the pages of Thomas Friedman's *The World Is Flat: A Brief History of the Twenty-first Century*, which deals with the amazing transformations occurring in our digital society. Could these be lessons that can benefit higher education as well as business?

For years, CEOs in the private sector have sought to improve their performance and ultimately their bottom lines by borrowing strategies from others. A universal favorite is the late Peter Drucker, whose books spanned seven decades and spawned some quite interesting management theories. In the 1980s, Tom Peters and Robert Waterman emphasized "MBWA"—Management By Wandering Around—in the runaway bestseller *In Search of Excellence*. And since the 1990s, Stephen Covey has delivered concepts that can be practiced in one's personal as well as professional life through books such as *The Seven Habits of Highly Effective People* and *Principle-Centered Leadership*.

Transferable Business Strategies

So, how do the concepts behind these and more recent business books and management models relate to those of us in the world of higher education? I would argue that we need to be paying more attention to these strategies formerly reserved for the corporate sector. There is tremendous opportunity for educators

to find relevance in both established and contemporary best practices in business.

Just like business, higher education in the twenty-first century is facing numerous factors that are influencing, for better or worse, organizational effectiveness. These include globalization, changing demographics, mass customization, and often, flattened financial resources. In addition, colleges and universities need to examine every possible solution to combat the encroachment on their "territories" by the hungry corporate providers that have entered the educational marketplace in recent years. Colleges and universities will need to reach beyond their own horizons when contemplating the best ways to educate the tech-savvy Generation Y, or Millennial, students.

Let's take a closer look at how a few of the more current business strategies could be transferable to educational institutions. For example, leaders might ask themselves: Have we been treading the same waters but not making headway in enrollment management? Is e-learning the panacea that will elevate our institution to the next level? Leaders asking such questions might gain useful insights from the book *Good to Great: Why Some Companies Make the Leap...and Others Don't*, by Jim Collins. Of particular interest is his Hedgehog Concept, which leads an organization through a fairly simple yet thought-provoking process for identifying its mission—what an organization does best—and then capitalizing on that mission.

If a college or university wants to be less introspective and more focused on a global perspective, then leaders should turn the pages of Friedman's book, men-

tioned above. Friedman describes a world in which global telecommunications have leveled the playing field. His book offers much food for thought, with its discussion of "lions," "gazelles," and a world in which the weak fall further behind. Are there applications for higher education? Absolutely.

Of course, many colleges and universities do benefit from the collective thinking of business and industry. My institution, Rio Salado College in Tempe, Arizona, which is one of the Maricopa Community Colleges, has long made it a practice to borrow from the best. Over the years, we have aligned ourselves with the principles of *The Fifth Discipline: The Art and Practice of the Learning Organization*, by Peter Senge. In so doing, we have given ourselves permission to explore innovative ideas from books and organizations—even when those concepts would seem, at first glance, to be far removed from the world of education.

Drawing from a multitude of models instead of a single one constantly provides us with fresh perspectives while at the same time reminding us of our steadfast organizational values that will always be important. For example, we searched for parallels when executives at the Disney Institute described for us the incredible lengths they go to achieve customer satisfaction through their "cast members" (translation: employees). Later we graduated to "customer astonishment," as so aptly defined by Darby Checketts in *Customer Astonishment: 10 Secrets to World-Class Customer Care*. Through this model, we learned about creating loyalty through the "WOW" factor. We've also studied business strategies for change manage-

ment and succession planning to keep the momentum at our institution going long after our current leadership has moved on. And now we've decided to swim in the Blue Ocean.

The Blue Ocean

"Blue Ocean" is a term coined in a book recently published by the Harvard Business School Press: *Blue Ocean Strategy: How to Create Uncontested Market Space and Make Competition Irrelevant*. The authors, W. Chan Kim and Renée Mauborgne, have the business world—and Rio Salado College—rethinking the entire concept of

Red Ocean is Ringling Bros. and Barnum & Bailey. The Blue Ocean is Cirque de Soleil.

At Rio Salado, we strive to swim in the Blue Ocean because of our culture of innovation. Founded in 1978 as a non-traditional college without a campus, Rio Salado is used to rewriting the rules. We specialize in meeting the educational needs of working adults.

Where Collaboration and Competition Coexist

Here are two interesting ways Rio Salado is swimming in the Blue Ocean. First, we

partners so that it is industry-specific. For example, entry-level airline reservationists receive college credit in airline operations. Call-center employees in the insurance industry earn college credit for quality customer service/insurance. Students/employees receive a college education on-site at their places of employment, at the employers' expense. Many of these workers become the first in their families to earn college credits. About 15,000 workers a year are educated in this new model of higher education. That's Blue Ocean.

At the same time, we compete—but on our own terms. Ten years ago, we were an early entrant into the e-learning market when we placed our first twenty-five courses online. But we realized that the e-learning market would soon be flooded. So we didn't simply place our courses online; our Blue Ocean strategy was to place the entire college online, for students' convenience. Through the click of a mouse, the full spectrum of student support services became available, including registration, academic advising, career counseling, tutoring, a 24/7 technical helpdesk, an instructional helpdesk, and an electronic library.

But we still weren't satisfied. So we did our own market research, which led to our innovative twenty-six start-dates a year. The longest a student has to wait to begin most online courses is two weeks, and traditional semesters have been eliminated. Plus, these classes can be accelerated. And when we needed a new course support, management, and delivery system, we collaborated with Microsoft and Dell Computers to produce RioLearn, which is scalable up to 100,000 students, placing us in a league of our own against the competition.

In the process of analyzing each new business strategy, Rio Salado has gained the required confidence to break out of the standard educational mold and embark in Blue Ocean waters. Can similar business strategies work for other colleges and universities as well? We think the answer is a resounding "yes!"



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competition. Simply put, an organization is either swimming in the Red Ocean or the Blue Ocean.

Red represents the existing markets, where the waters are bloodied by cut-throat competitiveness. Blue is a new market, where the waters are peaceful because competition is irrelevant. Red is where the rules are understood, and competitors try to outperform each other. Blue represents uncharted water where the rules are waiting to be rewritten. The Red Ocean will always be important, but the Blue Ocean is where the next generation of growth and profit will occur. The

collaborate. And second, we compete. That may sound like a paradox, but let me explain.

Rio Salado has long accepted that in the new economy, alliances are the way to get things done. Some years ago, we spotted an unmet need for a new learning format that would allow adults in the workplace to obtain occupational certificates and degrees. Since then, we have developed a market niche by partnering with the biggest and best employers in the state.

Our Blue Ocean strategy has been to customize the curriculum with our