

Staying Relevant

for the
Next Generation
of **Students**



It is a crossroads that many facilities managers would rather not face—the traditional campus versus a virtual one. Fast-changing demographics and student preferences crowd some classrooms, while others are empty. New academic programs place unique demands on the nature of learning spaces. Popular undergraduate courses that account for the majority of undergraduate enrollment are now available online—putting at risk the tuition and fees that subsidize smaller, upper-division courses. If courses move to cyberspace as massive open online courses (MOOCs) or adaptive learning “texts,” the economic structure that makes many institutions viable may start to break down.

“Under these accelerating conditions of change, traditional ideas about the nature of planning and the sequential nature of design and build, or the relationship of form and function, are up for grabs,” says Richard Katz, president of Richard N. Katz and Associates in Boulder, Colorado, a consulting firm that helps colleges and universities with change management, information technology, and institutional effectiveness.

According to Katz, higher education facilities managers face three key challenges:

- Disruption of the traditional, campus-based undergraduate experience
- Virtualization of higher education
- Improving student success

It’s simply not enough to be aware of these challenges—colleges and universities must react quickly and proactively to changing student demographics and preferences, or be left behind. Altering the traditional landscape can be unsettling—the campus has been the center of higher education for hundreds of years. Changing something that is so historic creates uncertainty, worry, and even fear.

What is the right direction? What is the correct strategy? A lot is on the line. What can facilities managers do to foster an environment that will contribute to positive student outcomes? After all, facilities are just one component of higher education that can lead to a more rewarding student experience. How can they be used to create a compelling vision—especially as information technology (IT) enables student mobility and potentially diverts attention away from the physical campus?

DEALING WITH DISRUPTION

Disruptions are typically external events or circumstances (sometimes the result of deliberate competitive actions) that un-

dermine and imperil the prevailing business model of an organization or industry. “Disruptions create stress and uncertainty that can erode the value proposition that defines the organization and its service or product, the cost structure and profit/sustainability potential of that service and its value chain, and the strategies used to secure a competitive position,” states Katz.

For higher education, the big disruptor is technology—online courses and online communication with faculty, which reduce the need for some students to be on campus. To stay competitive, higher education must adjust its business model to embrace the impact of IT.

“Disruption often occurs in organizations and industries where the business model involves selling bundles of service,” says Katz. “A university is a bundle of courses, social offerings, housing accommodations, etc. The Internet has created the capacity to deliver portions of these bundles and spread the costs of delivery over thousands or millions of consumers. This ability to unbundle greatly empowers the user to choose courses or professors. This expanded choice gives students (consumers) more convenience, more control over what they buy, and lowers cost by challenging the ‘monopoly’ of the bundled offering.”

VIRTUALIZATION—IS IT REALLY A THREAT?

As a single feature or component, virtualization isn’t all-powerful. However, when combined with the declining affordability of higher education, and changing student and employer preferences, virtualization packs a lot more punch.

An educational institution’s mission offers four primary items of value: learning, connections (a social network), a life experience, and credentials that lead to a rewarding career and upward mobility. How does e-learning impact these four categories?

“It’s already pretty clear that e-learning can hold its own against on-ground learning,” says Katz. “Credentialing is not as high priority as it used to be. Both students and employers want marketable competencies, but are increasingly skeptical of the college degree’s capacity to authenticate those competencies. New modes of authentication or certification are reducing the university’s traditional hold on credentialing. In the long term, this may leave the interrelated social networking benefits and life experience as the more durable sources of advantage for educational institutions. For students who return to complete their degrees, and for other non-traditional students, these advantages may not be influential.”

Therefore the question becomes: How can educational leaders and facilities managers position their institutions to better compete at the social network and student experience levels, including improved student success? “Campuses with little physical charm, challenged geographies, nightmare commutes, and ‘fly-by’ student bodies will not fare well as online educators figure out imaginative new ways to create community and connection online,” warns Katz.

SUPPORTING STUDENT SUCCESS

Delivering what students need for success becomes more challenging for traditional institutions because fewer students and prospective students fit the traditional mold.

“It is unsettling to facilities managers that an increasing number of next-generation students aren’t coming to school for the campuses and football games,” says Katz. “Online growth is 15 to 16 percent a year. Growth in on-ground students is only about 2 percent a year. The Pew Research Center indicates about 45 percent of today’s high-school and junior-high-school students have already taken at least one online course. Many students are now making their choices according to what is available online. Because it is harder today to meet all the costs of being a full-time, on-campus student, many of today’s and tomorrow’s students are part-time students. They face much greater challenges in their degree pursuits and likely need a different set of institutional supports and interventions.”

This is a hard concept for many facilities managers to grasp—mostly because they are influenced by senior faculty who are part of an older generation that still sees the student experience in the traditional way. “We cannot assume that because we ‘went’ to college and maybe ‘sent’ our kids to college, that today’s or tomorrow’s learners think the same way,” says Katz. “In fact, most postsecondary education learners are non-traditional. They are often adults, often people of color, who are trying to knit together degrees from courses taken over many years. Most of today’s students are employed as well. So, for us to imagine that they are mostly 17 to 22, willing to fight traffic to come to campus, and able to devote all their time to an academic course of study—that’s hard to sustain.”

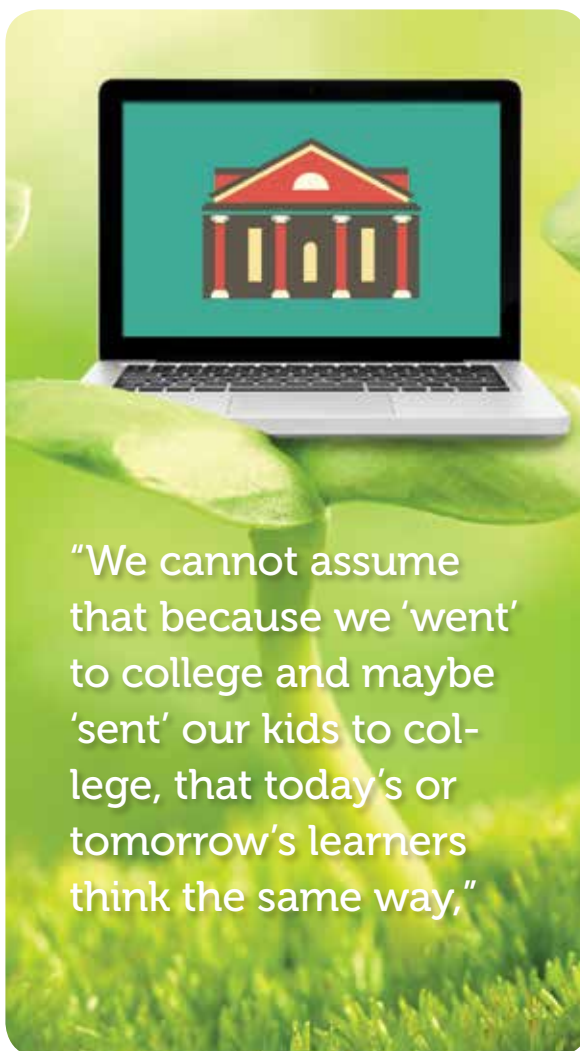
Increasing competition will continue to come from the private sector. As convenient and widely accepted Internet options take hold, more start-ups and entrepreneurs will find ways to help students learn and accumulate credentials in cyberspace.

REPOSITIONING FOR SUCCESS

Ever since they became synonymous with higher education, universities have maintained that “what’s good for universities is good for learners.” The more they invest in the traditional

factors of production—land (campus grounds), labor (faculty and staff), and capital (facilities)—the better they are at providing for their students. This is still true and leads many colleges and universities to think they are destined for perpetual existence. This can be a dangerous assumption, especially since many are not fully aware of how forcefully the Internet can disrupt their traditional landscapes. To sense this vulnerability, all they have to do is observe how technology is creating huge change across a wide range of industries.

For example, newspapers and publishers are shutting down because more people read for free online. Young people are more likely to watch movies on their computers instead of spending \$25 “at the movies.” Small businesses bypass gigantic credit card companies by using an app from Square on their smartphones to handle credit transactions. Similarly, adaptive learning and Internet offerings such as MOOCs or small, private, online classes (SPOCs) are making it possible for learners to bypass traditional institutions.



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“With new funding approaches like the “free-mium” model, which generates revenues through advertising, certificate fees, and ancillary services like counseling, tutoring, and transcribing, more providers can offer compelling learning content at little or no charge, in part because they are not obliged to maintain beautiful and costly campuses,” says Katz.

The campus environment has always been viewed as a “hallowed place” in the history of higher education. Many of us still ask, “Where did you go to college?” because we still view college or university as a physical place of high value, with impressive buildings that represent more than just classrooms.

“The idea of going to college just sounds so right, so final,” Katz continues. “Except that, for an increasing number of us, we don’t actually go to that physical space. Instead we go to our desktops, tablets, or smartphones to learn. The virtualization of learning is radically disruptive. It means that we can learn anywhere and anytime. It also means that we can no longer count on distinguishing ourselves through our built environments.”

For facilities professionals and other campus administrators, this can be unsettling.

A recent study by the American Council on Education indicates that one-third of today’s college and university presidents perceive the U.S. system of higher education as going in the wrong direction. Many of these leaders are analyzing data and working with their faculty and staff to forge new directions. In addition, 65 percent of the presidents indicated that higher education needs to undergo some form of disruption during the next decade to stay competitive. Professors of business and education felt even more strongly about the need for disruption.

Three moves that educational leaders and facilities managers can make are:

- Double-down their bets on the campus-built environment
- Move their bets to the virtual environment
- Blend these two strategies to create a hybrid environment

“Those with stark, circa-1970s, poorly located, commuter campuses might be better off getting really good at online delivery and open learning centers closer to their busy and likely non-traditional students,” Katz points out. “Institutions with bucolic campuses in great locations need to keep investing in the physical plant while focusing on asset utilization to keep costs competitive. Others with great campuses, strong brands, and hard-to-reach locations will suffer from the competition from more convenient online providers unless they leverage their campuses and brands into cyberspace. Such institutions would be well served by positioning themselves as hybrid educators.”

Katz advises to confront these challenges head-on. Do not lobby for more improvement to the campus-built environment

Meet Richard Katz at the APPA 2014 Centennial Conference



Richard Katz was vice president of EDUCAUSE for many years and is now president of Richard N. Katz and Associates in Boulder, Colorado, a consulting firm that helps colleges and universities with change management, information technology, and institutional effectiveness. His presentation at the 2014 Centennial Conference (July 21-23 in San Diego) will focus on how higher education is still centered on people and place, but now extends into digital space. “E-learning is not a negation, it is an extension,” he says.

Katz will also discuss how IT and e-learning are critical for attracting millennial learners. “Millennials have a different attitude toward authority,” says Katz. “They see themselves as consumers and expect to be served. They too want people and place, but they are also products of the Internet age and want to learn in their own way. Mobility is the air they breathe and everything is ‘social.’”

This, of course, is a looming challenge to the traditional operation of a campus. Katz will explore the tensions that exist as facilities managers and other campus leaders try to stay competitive by expanding student access to people, place, and space in creative and meaningful ways.

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simply because maintaining and improving that environment is your passion. If the campus is fantastic and truly a strategic recruiting asset, fight harder for funding to assure this asset does not become tarnished. Use information about the changing landscape to sharpen your claims for resources. If the campus is not a magnet, it is probably a drain on strategic resources—in this case, reposition to make the campus a magnet or develop a strategy of facilities cost minimization.

Most of all, Katz recommend that facilities professionals become “best friends” with their institution’s IT leaders, who are also trying to explain why they need more money to feed infrastructures that are not differentiating the institution. Even though the facilities community and the IT community share responsibility for maintaining and improving place and space, they rarely talk with each another, especially at a strategic level.

“The absence of dialog contributes to a ‘bricks or clicks’ or a ‘bricks *versus* clicks’ relationship that obscures the potential for a thoughtful union of place and space,” Katz concludes. “Instead, facilities leaders and IT leaders should begin frank discussions about developing a competitive strategy that supports each other, or find the best way to jointly beat a dignified retreat into the less glamorous world of expense control.” ☞

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