

More Effective Governance Structures and Processes & Macro Trends in Higher Education

Dr. Paul N. Friga

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Your host for today



Paul N. Friga, Ph.D.

- **AGB Practice Area Lead – Transformation of Public Higher Education; AGB Senior Consultant**
- Clinical Associate Professor of Strategy – UNC Chapel Hill
- Former Chief Strategy Officer, HelioCampus
- Leading higher education thought leader with over 15 articles in the Chronicle of Higher Ed and [InsideHigherEd](#) and numerous webinars over the past 12 months; significant consulting projects
- Former consultant – McKinsey & PwC
- Former Trustee – Saint Francis University, [Loretto, PA](#)
- Former Board Chair – Saints Francis & Clare Church, Greenwood, Indiana
- Founded ABC Insights, a leading higher ed benchmarking consortium
- Created NACUBO Master Class in Financial Transformation for CFOs
- Author of *The McKinsey Mind* and *The McKinsey Engagement*

Paul N. Friga, Ph.D.

Practice Area Leader: Transformation of Public Higher Education

About

Paul is one of the foremost higher education thought leaders and strategists. With 20 years of experience as a professor, researcher and consultant at UNC CH and Indiana University, Paul understands how public education really works and how it should change. His former experience as a consultant with PwC (earned CPA and CMA designations as) and McKinsey (including projects in public higher education) round out additional relevant experience. He has also served as a Trustee at Saint Francis University and the Board Chair at Saints Francis and Clare Church in Greenwood, Indiana. He has an MBA and Ph.D. from UNC Chapel Hill.

For the past 6 years, Paul has been researching best practices strategic resource allocation in higher education, presenting at international conferences, and co-founded ABC Insights, a premier higher education benchmarking consortium that was acquired by HelioCampus. Over the past nine months, Paul has authored 15 articles in the Chronicle of Higher Education and [InsideHigherEd](#) on strategies for change in higher education for surviving the COVID crisis and positioning universities for the long-term (over 300K views/downloads). He has also conducted many strategic planning projects for universities, not-for-profit entities (including the Marines), and corporations (including The Biltmore Estate). He has written two best-selling books on team problem-solving (*The McKinsey Mind* and *The McKinsey Engagement*) and is an award-winning teacher of strategy and consulting for undergrads, MBAs, and Executives.

See all my articles, videos and presentation slides at www.paulfriga.com

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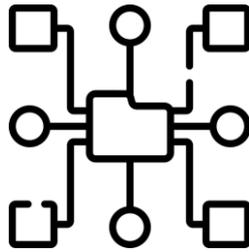


It is imperative that boards have a strong foundation to respond to modern challenges

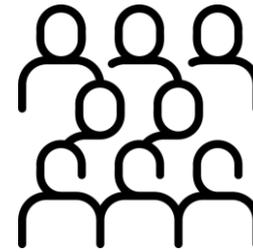
Resolutions for Improving Governance



Get More
Strategic



Examine
Structures



Improve
Stakeholder
Interactions

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Source: Paul Friga, *Way Too Early New Year's Resolutions to Improve Your University's Governance*, AGB Blog (November 15, 2021)

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Resolutions for Improving Governance



Get More
Strategic

Boards

- Clarify role related to strategy and accountability (oversight)
- Invest more time in strategic discussions and less in operations

Campus

- Clarify role related to strategy and accountability (execution)
- Articulate multiyear strategic vision, priorities, and initiatives

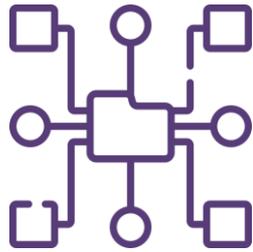
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Resolutions for Improving Governance



Examine
Structures

Boards

- Move to more ad-hoc committee structure
- Recruit more diverse profiles and talent
- Meet more often (virtually and in-person)

Campus

- Take inventory of names, positions, descriptions of administrative leaders
- Benchmark against peers
- Modernize structure

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Source: Paul Friga, *Way Too Early New Year's Resolutions to Improve Your University's Governance*, AGB Blog (November 15, 2021)

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Resolutions for Improving Governance



Improve
Stakeholder
Interactions

Boards

- Include campus representatives to board & committee meetings to improve transparency
- Spend time on campus to understand culture & perspectives

Campus

- Report out on objective performance metrics around priorities
- Involve campus leaders in long-term thinking sessions and seek creative hypotheses for change

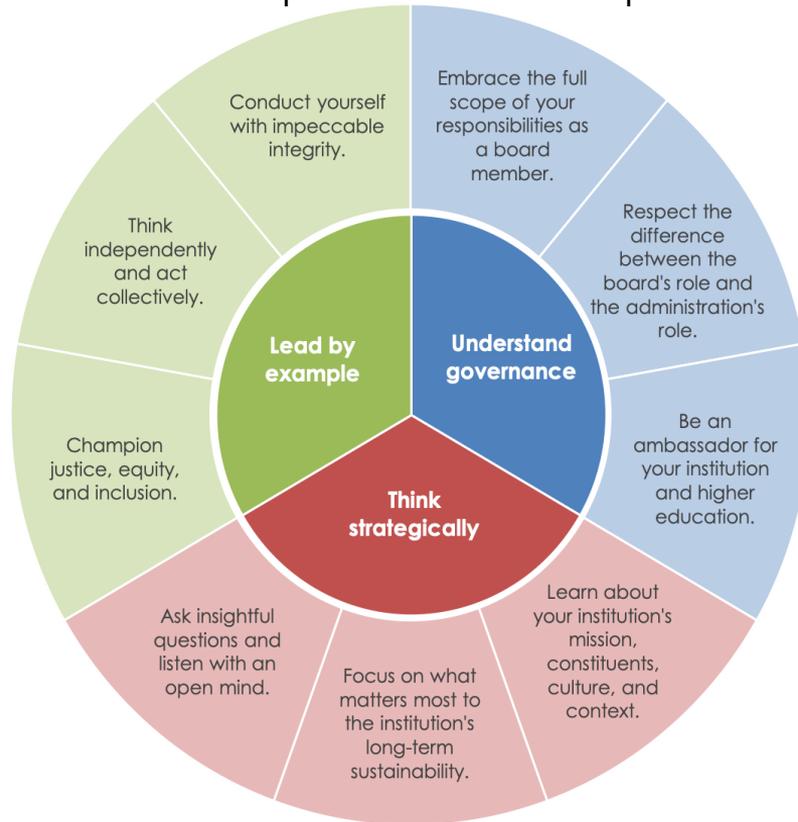
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Source: Paul Friga, *Way Too Early New Year's Resolutions to Improve Your University's Governance*, AGB Blog (November 15, 2021)

AGB has recently released guidance to help governing boards be more effective

Principles of Trusteeship



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One of the most significant macro trends for board discussion today

The higher education market has experienced nine consecutive years of enrollment decline on a national basis; contracting from approximately 21M to 18M students

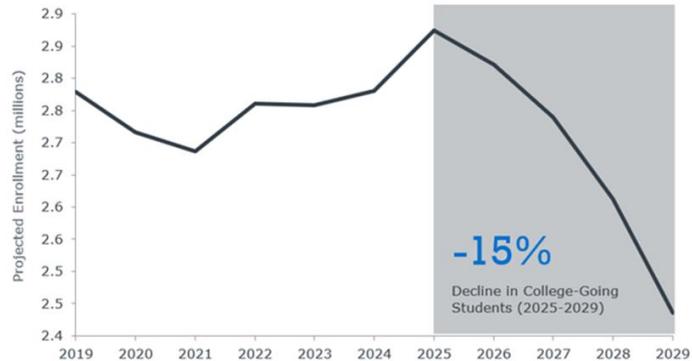


- Only 34% of institutions met their 2019 fall enrollment targets – declining market for degrees
 - Fall of 2020 private college enrollment was down ~4%
 - Arizona State University enrollment grew by 23% in the fall of 2020
- There is more capacity than student demand for traditional brick and mortar institutions
- Students are choosing alternative knowledge pathways versus degrees, including credentials, certificates, work-force related skill-sets

Source: <https://www.insidehighered.com/quicktakes/2019/05/30/college-enrollment-declines-continue#:~:text=College%20enrollment%20in%20the%20U.S.,National%20student%20clearinghouse%20Research%20Center.&text=The%20overall%20decline%20this%20spring,300%2C000%20students%2C%20the%20center%20found.>

Enrollment Projected to Drop Sharply After 2025

Forecasted Number of College-Going Students in the U.S. (millions), by Year of High School Graduation



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Other good board topics for discussion

Dimension	Current	Future
Tuition	Medium - High	Free - Low
Differentiation of Providers	Low	High
Accessibility	Low	High
Online Education	Low	High
Partnerships with Employers	Medium	High
Virtual Campus Services	Low	High
Inter-University Collaboration	Low	Medium
Relevance	Low	High
Faculty	Single-University	Multi-University / Free Agent
Students	18 - <u>24-Year Old</u>	18 - <u>80-Year Old</u>
National Universities	Few	Many
Credentials	2 & 4-Year Degrees	Degrees + Badges + Certificates

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Resources – Contact me if you don't have access to any of these and I can send you a copy

- [Paul's latest AGB Blog – Way Too Early New Year's Resolutions to Improve Your University's Governance](#)
- Paul's other AGB Blogs...
 - [Don't Forget Long-Term Strategy](#)
 - [Why Every University Should Continue to Optimize Post-Pandemic Administrative Spending](#)
 - [It's Time to Increase the ROI of Your Academic Spend](#)
 - [How to Invest Your Federal Rescue Plan Funds](#)
 - [It's Time to Transform Your University](#)
 - [It is Time to Get Strategic About Enrollments](#)
- AGB Resources
 - [Principles of Trusteeship Overview & E-Book](#)
 - [Increasing Diversity on the Boards of Colleges and Universities](#)
 - [Trusteeship Podcast: Higher Education Business Models Under Stress](#)
 - [Mental Health Issues on Campus: Time for New Solutions](#)
 - [ESG Powering Sustainable Business Models in Higher Education](#)
- Plus – Paul Friga's [website](#) with more articles, podcasts and videos

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