UNIT4

In Business for You

NEW GAME NEW RULES

HIGHER EDUCATION INDUSTRY FOCUS

Contents

The state of play

Higher education today

Research shows Higher Education has transformed dramatically during the last decade into a more competitive market — yet universities have hardly changed.

With traditional strategies to close the cost-funding gap no longer working, some institutions are now investigating mergers and shared services. But even these face significant challenges.

Improving software is a priority across the sector as many institutions are using outdated IT systems and inflexible processes. As a result, many leaders lack financial transparency — they cannot evaluate the performance of courses, staff and administrative technology. And students say satisfaction ratings would skyrocket if their institution had a single, digital system to manage all admin.

Let's take a look at the global trends that are affecting every higher education institution >>>

New game

Industry megatrends

You're being forced to compete for students (both nationally and internationally), rigorously demonstrate your institution's value and find new economic models to do more with less. Amid the crisis of your new commercial world, service expectations are increasing.

1. **A commercial market for earned income**
   Enrollments are down, competition is up. Higher Education is a consumer-led market where non-traditional students (and equivalent learning models) are the new norm. Disruptive competitors are filling the gap.

2. **New experience — your reputation in their hands**
   Ubiquitous wifi, web-enabled tools and everything-online. You have to be available anytime, anywhere through intuitive interfaces and chatbots. Students manage every aspect of their lives digitally. Their opinions are heard instantly; your reputation is in their hands. Do you know about artificial intelligence, virtual reality and digital assistants? They do.

3. **Everyone's watching (and demanding more)**
   The focus on accountability and transparency has never been greater. Funding models are evolving to focus on outcomes. And you have to prove your worth through success indicators to regulators, accreditors and consumers.

4. **New economic models, please**
   To survive, higher education institutions are upgrading the experience and investing in the future. Some are diversifying into new economic models. The smart ones are adapting processes and adopting new digital tools. Everyone's trying different strategies because the tried-and-tested ones are no longer holding true.

98%
own a smartphone
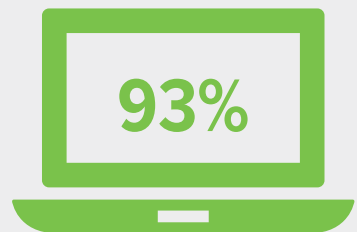
93%
own a laptop

Laptop and smart phone ownership of college-age people in the US, UK, Australia and New Zealand[1].

[1] A 2018 survey by UNiDAYS and Ad Age, MEET GEN Z.

New rules

Industry analysis

Research shows most institutions have not yet caught up with the changes in their sector. Many leaders say they lack financial transparency and cite software improvements as a priority for boosting efficiency. Meanwhile, students are demanding a digital upgrade. Here's what the researchers, analysts and experts are saying about higher education.

Competitive market for earned income

Higher education has changed beyond recognition since 2009 from a "centrally funded, planned and protected" sector to a "competitive market for earned income" from students and business. The problem is, universities themselves have actually changed "remarkably little" over these years. A "significant reshaping" of the sector is imminent, and institutional leadership teams are feeling "distinctly beleaguered and uncertain" of the outlook[2].
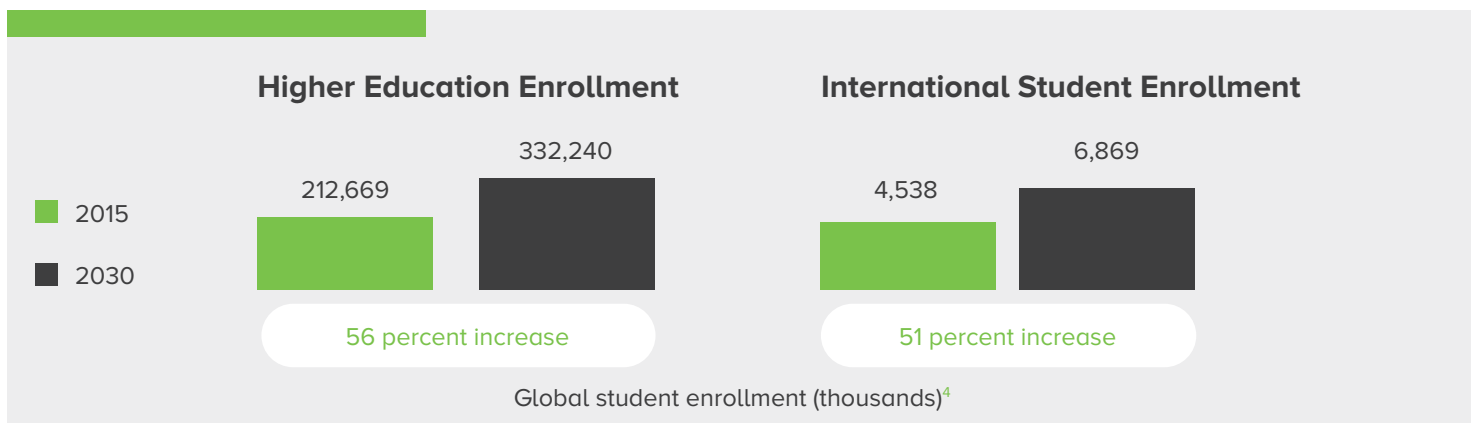
Outdated IT, inflexible processes

There are some concerns over "outdated IT systems and inflexible processes," as one in three are looking to efficiency gains from their administrative operations, with investments in improved IT systems identified as "priorities across the sector[2]."

Limited financial transparency

The financial stability of higher education is "under significant strain" as institutions find themselves with an increasing cost base while struggling to adapt to change in a global marketplace. Institutions are urged to develop a "robust financial model" for the new, commercial future, but: "many universities do not actually have a transparent organization-wide view of their costs and whether they are truly aligned to strategic goals... We believe institutions can no longer afford to operate in this way[3]."

Almost 120 million more students in higher education and 2.3 million more internationally mobile students by 2030.

Higher Education Enrollment

- 2015
- 2030

212,669 — 332,240

56 percent increase

International Student Enrollment

4,538 — 6,869

51 percent increase

Global student enrollment (thousands)[4]

[2] PA consulting's 2018 survey of UK vice-chancellors in the UK, Forecasts of storms: University heads' outlook for UK higher education.

[3] PwC white paper, Align in Higher Education - financial stability in uncertain times.

[4] Studyportals / UNESCO Institute of Statistics, Envisioning Pathways to 2030: Megatrends shaping the future of global higher education and international student mobility.

No data to assess performance

More than half of institutions do not have the data and other information they need to make informed decisions about performance. Four out of ten chief business officers (CBOs) don't have the data to evaluate the performance of courses, staff and administrative technology[5].

Mergers and shared services

More institutions are having "serious talks" about merging with another college or university. More than a quarter have had "serious discussions" about consolidating programs or services, and half believe they should combine administrative functions or academic programs. The majority of these (four out of five) see the primary benefits as a reduction in expenses while two out of five believe it will take the institution to "the next level" in terms of enrollment[5].

Age-old strategies not working

Increasing enrollment is still the top strategy for generating revenue, but tactics to achieve this are beginning to show signs of failure — while more than 80 percent of institutions increased enrollment in 2015 and 2016, it's been closer to 70 percent in 2017/18. Many are compensating by moving toward more shared services with reduced admin roles and better utilization of enterprise systems[5].

Digitalization, the new qualifier

A recent study shows that one third of students feel there's too much campus-life paperwork. The same proportion think the complexity of admin is keeping them from their studies. Three quarters think their university should review and upgrade its digital strategy. Eighty percent would be more satisfied if their institution had a single, digital system to manage all admin. And an overwhelming majority want a single app to access services from any device[6].

[5] Survey of chief business officers in the US, 2018 Survey of College and University Business Officers - A study by Inside Higher Ed and Gallup.

[6] DJS education market research, The majority of students want universities to review their digital strategies.

Digitalization is becoming a qualifier

djs research

73% OF STUDENTS RECOMMEND
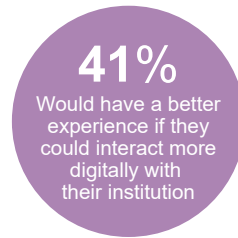### THEIR UNIVERSITY REVIEW AND CHANGE ITS DIGITAL STRATEGY

A third of students feel there is too much paperwork
and get frustrated with the amount and complexity of admin.
Students are currently least satisfied with:

1 Managing financial aid   **3** Communicating with faculty advisors   **5** Paying tuition

2 Course transfers   **4** Managing academic progress & coursework   **6** Admission

41% would be more likely to recommend their university if digital interaction was better

36% Believe they spend less time studying because admin is so complex

47% Expect student administration to be easier to manage given the fee They pay

41% Would have a better experience if they could interact more digitally with their institution

Results reveal a ranking of how easy it is
for students to manage different areas of their lives digitally:

1 Online Shopping   **3** Social life/social media   **5** Travel

2 Entertainment/music   **4** Finances/banking   **6** University life

8/10 would be more satisfied if their university implemented a single digital system to manage all of their administration

87% want a single app/web application accessible from any device

UNIT4

Key findings from a Unit4-commissioned study by DJS Research[6]

**Successful institutions are responding to
these changes in the same ways** >>>

Time for a new playbook
Strategic responses

In response to these trends, leading institutions are reacting in the same key ways: serving students as customers and supporting them throughout their entire journey, better managing people, finances and data; and streamlining research administration.

3. **Better managing people, finances and data**
Driven by the need to improve institutional effectiveness in a changing marketplace, institutions need the best from their people, finances and data. Better management of human capital reduces turnover of highly skilled staff. Decisions informed by accurate, up-do-date data are more reliable; sound financial management and real-time business intelligence drives efficiency. Demonstrating success and compliance with reporting on key indicators and metrics to stakeholders and regulators equals better accountability and transparency.

1. **Serving students as customers**
Higher education institutions need to grow, and forward-looking institutions are now rethinking how they recruit students, what they offer to them and how they retain them as customers. Driven by the need to compete and increase enrollment, they are reinventing how they attract and admit more of their best-fit students for available courses, while updating their academic offerings to attract non-traditional students.

2. **Supporting students throughout their journey**
Student centricity is paramount and every institution is driven by the need to boost student success. The best institutions are digitally upgrading the way students interact with them from recruitment and past graduation, even identifying and intervening with at-risk students. These institutions have the tools and visibility of student activities at hand to help them stay on track toward degree completion and employment. In doing so, retention and graduation rates are boosted.

Up to

40%

Amount of time spent on administrative duties[7]

[7] PwC, The 2018 university: How prepared are you?

But there are barriers to achieving the positive outcomes from these responses >>>

Winning through

Overcoming the barriers to success

The barriers to continuing success are already numerous (and growing). Given excess capacity in the marketplace, many of these barriers are pushing more institutions to merge, or close.

But it doesn't have to be that way

There is a way forward, but we first need to acknowledge the elephant in the room — it's time to focus on the barrier that has rapidly become the major underlying threat to institutions' success, and even their future.

Outdated IT, inflexible processes

Legacy Higher Education systems are not fit for purpose — they're poorly designed, out of date and disconnected. Collectively, they are weak, inflexible and error-prone, and, while implemented with good intentions, they create a barrier to student and staff progression. This situation is costing institutions time and money, KPIs are in decline and reputations are suffering.

This makes it increasingly expensive, time-consuming and difficult to:

1. accommodate new academic and economic models

2. assess success, evaluate performance and analyze metrics to see where improvements can be made

3. communicate with students (the way they do with other businesses) by not being able to make use of emerging technologies

4. maintain compliance excellence with increased scrutiny, changing regulations and more demands for success metrics

5. attract, manage and retain the best staff

6. optimize resources in faculties

But this cloud does have a silver lining. The solution to this barrier does exist, and it's already in widespread use, with hundreds of forward-looking institutions reaping the benefits and making the lives of students and staff across the world so much better.

17%

annual growth

$252bn

by 2020

[8] PwC, 2018, HE Matters, Technology.

So, what's the answer? >>>

Game-changing solutions

Unit4 People Experience Suite

Unit4's next-generation enterprise software helps you deliver an exceptional People Experience for everyone your institutions serves.

People Experience is a discipline applied to software development that prioritizes human impact — making work more productive, efficient and inspiring.

Our cloud-based enterprise software is easier to use and manage, since real people, not just tech experts, use it. You can manage projects and processes that deliver value across your institution, quickly and flexibly, according to your specific needs.

What This Means for You

You can transform work to be more meaningful through software that's self-driving and adaptive, intelligently automating administrative tasks. This elevates engagement and helps you attract and retain the best people.

But People Experience is not only about personal motivation — it's also about managers and staff working better together to improve institutional results. In all, freeing people to focus on what matters improves how work feels, and means you can better serve your people and students.
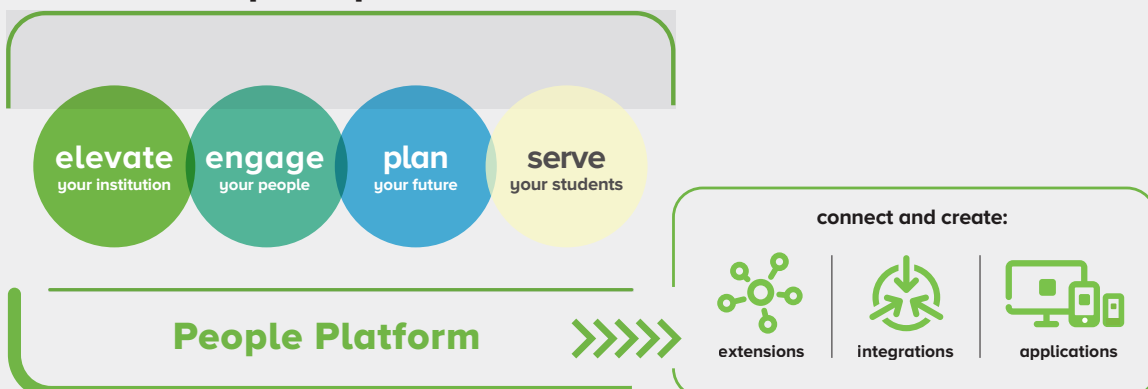
Unit4 People Experience Suite:

- Unit4 Student Management (SIS)
- Unit4 Enterprise Resource Planning ERP
- Unit4 Financial Planning & Analysis FP&A
- Unit4 Human Capital Management (HCM)

Discover how Unit4 can help you future-proof your institution with modern cloud solutions.

Unit4 People Experience Suite

elevate
your institution

engage
your people

plan
your future

serve
your students

People Platform

connect and create:

extensions | integrations | applications

UNIT4
In business for people

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In business for people