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ABSTRACT

Rowan College of New Jersey has adopted an "enterprise model" for strategic planning that is seen as central to attaining the mission of the college during a time involving a substantial decline in state support. Rowan pursued a strategy termed "growth by substitution." This new process was cast in a more entrepreneurial mold and led to greater innovation. The basic premise was to generate funds for new initiatives by reducing or eliminating outdated or less productive programs. New initiative financing would be balanced bv reductions and phase-outs among academic programs and administrative units for which there was marginal need and quality as well as projected retirement savings. The plan provides for phasing out of 23 degree, teacher certification, and specialization programs and reducing 5 others. It reallocated $2.7 to $3.5 million and called for personnel reduction through the layoff or retirement of 51 full time employees over 5 years. The plan's biggest accomplishment in financial terms was in academic support, with emphasis on developing technological capabilities within the library and academic computing, and computerizing the advisement process. The 17-member strategic planning steering committee included faculty, staff and management. None were to act as "representatives" of their units or groups. Members were not permitted to participate in discussions about their program nor to vote on priorities regarding that program. (Contains 30 references.) (JB)

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Strategic Planning as an Educational Enterprise: Modeling Entrepreneurship in the Comprehensive Public College

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> *Enterprise: An undertaking, esp. one which involves activity, courage, energy, or the like; an important or daring project; a venture. The character or disposition that leads one to attempt the difficult, the untried, etc. (Webster's New Collegiate Dictionary)*

This paper proposes that strategic planning in public colleges should be considered an "enterprise model" which is central to attaining the mission of educational institutions. The discussion addresses the influence that markets (customers and private sector stakeholders) exercise over colleges and the rationale behind their demand for accountability, planning, and change. The author reframes the practice of strategic planning from the perspective of new management concepts that are emerging from the service sector and its knowledge-based industries. The paper argues that this is a more compatible framework for understanding educational enterprise. By reframing strategic planning, colleges may discover appropriate approaches and obtain greater productivity from planning efforts. Finally, the paper reflect on the strategic planning process in one institution, Rowan College of New Jersey, and illustrates ways of applying the enterprise model to improve the effectiveness of the process in the future.

Enterprise: the Contrast Between the Collegiate and Private Sector

"The entrepreneur has had a largely unbroken run as a celebrated figure in American culture," extolled a recently published business magazine's bonus issue (Byrne, 1993). Equally significant is celebration of "enterprise" as an organizational attribute. In modern parlance, enterprise is more than a legal entity. Enterprise suggests creation of value, productivity, innovation, dynamism, and a penchant for challenges and calculated risk. It is fraught with spirituality and secular salvation.

By contrast, higher education seems counter-intuitive in its usage, emphasizing risk aversion and avoidance of gain. " Enterprise" has crept into the collegiate lexicon. When used in academe, the term "enterprise" is often modified by an adjective connoting a peripheral or supplemental status -- as in "auxiliary enterprises." According to one definition, such entities "sell services that are required to *support* the institution's basic educational purpose." They include bookstores, dorms and dining halls and research institutes. Their revenues and expenses are reported as separate subsections on operating statements. And, they are designed to be self-sustaining "so that they do not become a drain on other operating resources" (Tellefsen, 1990).

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Wariness of business principles as a source of ideas is common in recent literature aimed at the university audience (Brock and Harvey, 1993). One casebook for academic administrators asserts that it is a guide to "Managing the Academic Enterprise" (Ehrle and Bennett, 1988) but the authors fail to define its meaning and ignore the contextual implications of the title. Instead, they present a single case in which entrepreneurship is equated only with faculty consulting. The case is a springboard to warn that "entrepreneurial activity can pose a severe challenge and threat to institutional collegiality" and "part of the ethic of inquiry and assessment requires dispassionate and objective judgments that may become difficult once the likelihood of personal rewards is introduced." In appropriating this economic concept within higher education, educators seem content to not merely drain the bath water (risk), but they also want to throw out the baby (maximizing the value of assets).

Strategic Planning and Enterprise

Strategic planning in the 1990's should be viewed as an enterprise - an undertaking that results in a comparative advantage and measurable net gains in the value of the institution. High quality strategic planning in the public college involves institutional leadership that is implicitly entrepreneurial. It can provide a model of collective behavior for all members of the academic community and qualify the college for full citizenship in the larger economic arena.

It is a paradox that instead of leading the revolution, many public colleges and universities are a decade behind the private sector in recognizing their potential and acting to realize it. Public colleges are "service organizations" that were created to fulfill a special responsibility to society. State legislatures made public colleges catalysts for change and assigned them the mission of developing practical learning among citizens to stimulate economic growth. As service organizations, they are ideally suited for leading others in the transformation to a knowledge-based service economy. One might expect mission, size, structure and geography alone to enable the small and mid-sized public, state-related or state-assisted college sector to cultivate exemplary strategic planning enterprises. Rapid, discontinuous and turbulent change has become the norm. Despite increasing autonomy and declining state support, public colleges have not yet adapted, much less taken the lead. The business sector has been the source of innovation in service concepts and there is much that academe can learn from their experiments. Increasingly, colleges are being pressed to become practical working organizational models that create value under conditions of risk -- in essence, to become more enterprising. Strategic planning is a means of mobilizing members of an organization by modeling behavior in order to change the culture to an enterprising mode.

External Agendas and Educational Enterprise

Strategic Planning is the process by which an organization sharpens its external focus and sets new directions by defining environmental threats and opportunities, capitalizing upon internal strengths, and mitigating weaknesses. In his landmark book, *Academic Strategy*, Keller notes "The beginning point is self-consciousness for the organization. It is knowing the place for the first time, understanding the business you are in, or want to be in, and deciding what is central for the health, growth, and quality of the organization." (Keller, 1982)

Advocacy for strategic planning in higher education gained momentum among leaders in the 1980's, and early adopters emerged from among the private and large public universities. Strategic planning's ultimate focus is redefining missions and tapping external *markets* which provide necessary revenue streams. The salient markets in which universities operate include program-specific enrollment and research markets as well as generalized institutional markets for state subsidies and private philanthropy. The decade brought moderate financial impact (steady-state or slightly reduced budgets) to the public college sector. However, these set backs were perceived as temporary in most areas except for the New England states which were the first to experience a severe recession. (Andres, 1993). Competition for the declining traditional college age market seems to be the principal threat which mobilized private colleges. For public colleges, the forecast of projected future enrollment decline provided insufficient motivation for the radical therapy implicit in strategic planning.

Among private and public institutions alike in the 1980's, strategic planning enterprises fell short in mastering externally-oriented tasks while myopically pursuing internal planning tasks. Too many planners opted to pursue an "inward entrepreneurship" style. In short, insular enterprise focuses on the assumptions that the funding, enrollment, human, and material resources are already available within the institution. The *"intrapreneur"* concentrates on getting a bigger share of the expanded resources other entrepreneurs have acquired. (Whalen, 1991). Coupled with this inclination, strategic planning in the 1980's may have been hampered by a bias for participatory processes

Over-reliance on the existing skills and work styles of the members within the college communities has also been problematic. It is important to recall that the growth of public colleges has come about largely by increasing the number and size of professional programs and schools. These disciplines are premised on technical rationality and instrumental problem-solving that is grounded in systematic scientific knowledge. However, as even the business sector has come to recognize, important areas of professional practice now lie beyond conventional boundaries of professional competence. These *indeterminate zones of practice* involve uncertainty, uniqueness and value conflict. Technical problem-solving depends on prior construction of a well-formed problem -- a luxury in turbulent times. Lacking that, there are no clear goals to guide the selection of means. (Schön, 1987). That colleges experience shortcomings in planning is not surprising when juxtaposed against the complaints from the professional and business communities: these programs and schools seem least able to teach what aspiring practitioners need most to learn. Finally, whether borrowing or developing a home-grown approach to organizational change, colleges seem to select otherwise well-grounded techniques which embody the very shortcomings which require redress. A case in point is the growing appeal of the total quality management (TQM) movement on campuses. Academic critics note that while improving quality is a laudable goal, it is only part of the catalog of outcomes colleges need to address. Moreover, its gradual, incremental approach to change can do harm while doing good. TQM is criticized for requiring a long-term commitment, increasing workloads by substantial margins, and actually increasing costs. (Keller, 1992).

In the business world, by contrast, the 1980's brought a period of deregulated markets, industry shakeouts, and turbulent environments. Radical and discontinuous events led businesses to evolve a series of change processes aimed at an equally dramatic "transformation" (Gouillart, 1994.) Gouillart describes three components of transformation: reframing issues, restructuring organization, and revitalizing organizational activity. Reframing issues entails both a paradigm shift (articulating a clear and simple statement of purpose and how one expects to achieve "stretch goals") and a bias toward action (implementing processes to focus energies and act). Restructuring organization involves two continual activities: portfolio moves (divestiture and acquisition of assets) and process engineering (redesigning the system of technology, infrastructure, series of tasks and human skills, outcome/output measures, performance measurement and rewards, and the reorganization of roles and responsibilities). Revitalizing the organization involves stimulating growth by regenerating existing programs or businesses and developing new ones.

Threats and opportunities have converged rapidly to motivate the network of public colleges to become more enterprising in the later half of the 1990's. Part of the demand for accountability to the marketplace is populist in character; i.e., students or their parents or financial sponsors want to be treated like customers, to "have it their way," and to have a job waiting upon graduation. Additionally, a formidable array of proponents for restructuring higher education has emerged from within the business community. They employ our graduates, invest in our bonds, contract with our purchasing agents and wait on disbursements from our accounts payable departments, enter joint research ventures, as well as pay taxes that subsidize our operating budgets and fund direct student aid. They are taking a closer look at us and they don't like what they see. As one recent article in the financial press put it, "No One Runs the Place" (Barrett and Greene, 1994.)

Higher education officials don't have to get ink on their fingers to get news. Both directly and indirectly, colleges are being told that they are expected to compete on the same economic playing field that has produced consolidations of the telecommunication, financial services, and airline industries, downsizing among the remaining firms, and reduced costs even when it requires layoffs. Trustee appointments increasingly are drawn from the private sector and collegiate complaints of "micromanagement" are growing in direct proportion (Rood, 1993). Legislators are redressing constituent grievances not merely by reducing direct support, but they are coupling that action with outcomes-driven mandates. Witness "Ability to Benefit" and "Student Right to Know" legislation. Similarly, the State Postsecondary Review Entities (SPREs), spawned by the federal Higher Education Amendments of 1992, have been established to reveal and to redress abuses in guaranteed student loans. To date, the threat of market forces and legislative inducements have persuaded some colleges and universities, as well as the K-12 community, to accelerate the adoption of an "education as enterprise" paradigm.

Within the higher education community, Ernest Boyer constructs a case for higher education as enterprise through participation in national renewal (Boyer, 1994). He traces the collegiate role from colonial training of clergy and civic officials, to the 1860's land-grant act by which universities became catalysts to agricultural and industrial revolutions, to the post-Sputnik rejuvenation of science and math instruction for industrial competitiveness engendered by the National Defense Education Act of 1958. Building on this historical foundation, Boyer argues for broadening the priorities of the professoriate beyond the scholarly pursuits aimed at *discovery* of knowledge. He proposes an action-based faculty repertoire that includes renewal of commitment to teaching, learning and public services through the scholarship of *integrating* knowledge, of *communicating* knowledge, and of *applying* knowledge (Boyer, 1991). These new priorities are more congruent with redefining the "New American College". Boyer's proposed strategy connects thought to action and theory to practice through organization of cross-disciplinary institutes around pressing social issues. Thereby the classroom is expanded to encompass external health clinics, schools and government offices and building partnerships with practitioners.

Reconceptualizing Academic Planning Using Corporate Enterprise Models

College survival and prosperity in the 1990's will require exponential rather than marginal enhancements. If change is to be fully realized, it will be necessary to transform the planning function. College must find, adapt, and experiment with new models of planning for the academy. Writing for the corporate reader, Mintzberg terms strategic planning an oxymoron which fails in a futile effort to combine strategy (a synthetic process) with the antithetical planning (analytical process). He notes that "conventional" planning best fits the "machine" form of organization -- a highly structured, classic bureaucracy dependent largely on standardization of work processes. By contrast, universities exemplify the "professional" organization, where expert work is performed by autonomous and influential specialists with administrators providing support (Mintzberg, 1994). Mintzberg criticizes university planning for misapplying a "top down machine model" and wasting planners time.

However, recent studies of the service sector displace the poorly adapted planning models developed for machine organizations -- mature manufacturing and goods/products. Quinn argues that the rise of the service sector and the economic transformation is the result of the emergence of intellect and related technology as highly leaverageable assets that create value (Quinn, 1992). In its attempt to refocus mission on service, IBM defined a set of "enterprise processes," including the "market information capture" process" encompasses the management of all information which might lead to successful sale of services (or products) to customers, including information about competitors, customers, market projections, and even internal skills and capabilities (Davenport, 1993). With the recent focus on students as customers, it doesn't take a conceptual leap to envision the agenda of institutional research offices or their subcontractors.

Corporate analyses of internal strengths and weaknesses, in 1980's strategic planning parlance, sometimes took a back seat to external positioning when the economy was more static.

In the 1990's, "dynamic" business strategy has begun to identify and develop hard-to-imitate organizational capabilities that allow customers to distinguish a company from its competitors. Capabilities-based competition is built not on products or markets, but upon business processes that consistently provide superior services to the customer. The performance measures that determine competitive advantage will emphasize *speed* in responding to customer demands, *consistency* in fulfilling customer expectations, *acuity* in perceiving and anticipating needs, and innovative ideas that create new sources of value. They cut across functional and operational units (Stalk, et als, 1992).

Service and manufacturing firms are now training their sights on *"process innovation"* (Davenport, 1993). Process innovation is concerned with changing key processes in the enterprise instead of focusing on functions, divisions or products. Coopers and Lybrand consultants have gone beyond the goal of eliminating waste and enhancing efficiency to propose *reengineering core business processes* (Johansson, McHugh, Pendlebury & Wheeler, 1993). This involves achieving a radical change in performance as measured by cost, cycle time, service and quality, thereby attaining a sustainable competitive advantage. They advocate a search for a "BreakPoint," the achievement of excellence in one or more service values where the marketplace recognizes the advantage that goes beyond "best practice" standards or parity with similar competitors. This is the essence of strategy formation.

Adding value to the lives of students is a goal of a college education. Insofar as strategic planning aims to inform the organization about its internal strengths and weaknesses, data gathering and benchmarking is one basis of organizational learning. The planning enterprise can add value for clients, customers and other stakeholders. Service organizations add value in three different categories. *Production values* includes quality (error rates and cycle times), productivity (costs in relation to qualities), and service (customer expectations and perceptions). *Human values* concern security, safety, rewards, training and psychological growth. *Financial values* include returns (on investments, assets, and equity), market share, and operating capital (including the all important cash flow). Value-added analysis can be focused also on the strategic planning process itself. Fitz-Enz (1993) argues that as with any staff intensive enterprise, strategic planners need to gather data on the effectiveness of their process and whether the things they choose to look at assist the organization in maximizing value.

Quinn (1992) pursues this theme in his analysis of "intelligent enterprises," -- organizations that specialize in the management of knowledge-based service systems. Traditional management practices and strategies were aimed at horizontal and vertical integration of the product or service lines and diversification. Integrated organizations were structured to absorb and encompass the array of operations. By contrast, Quinn advocates a hard look at the necessity for ownership and operational control of all enterprise processes. Organizations are advised to emphasize those areas where comparative advantage prevails. Outsourcing (contracting out) and strategic alliances or partnerships with complementary organizations are recommended.

The applicability of this analysis to higher education seems appropriate. Universities lean naturally toward differentiation and inclusiveness. During the 1970's and 1980's, colleges developing myriad programs for smaller cohorts of students and stretched the scope of program from baccalaureate to doctoral degree and post-graduate study. Some urban consortia emerged but few flourished or attained meaningful economies of scale. Few consortia attained the degree of articulation sought by today's inter-institutional programs.

Assignment of managerial responsibility for the care, nurture and management of intellectual capital is an emerging practice in some corporate settings. Intellectual capital is a set of business assets that include human knowledge and skills as well as structural features such as patents, databases, information systems and other codified brainpower. Ernst & Young, a national accounting and consulting firm, now holds conferences to teach ways to measure such assets and develop ways of recording and tracking them through the balance sheet. Companies are exploring ways of tracking investments in information technology, attrition or recruitment of personnel with key competencies, and losses or gains in customers or suppliers. (Stewart, 1994.)

Redesigning the Collegiate Planning Enterprise

Changes in academic planning are well underway in colleges. But, advances must begin by setting planning goals aimed at the creation of value that affords a comparative advantage. Clear priorities among values must be set so that planners have a compass for choosing among competing values. At its inception, the planning enterprise should have a methodology and process for assessing its performance against the planning goals. Using service values as a guide, planning decisions and proposed implementation strategies can be assessed to determine their contribution to quality, productivity and service (production values), staff and organizational learning (human values and intellectual capital), as well as return on investments and asset enhancement (financial values). Planning, like TQM and other change processes, has a cost. Staff, technology, database management, research, committee work of decision-makers, communication and publication should be tracked and benchmarked. A comparison of these costs with the service values resulting from the planning effort puts in perspective the contribution planning makes to the health of the college.

A second imperative is the adoption of new integrative planning structures. The new structures will incorporate the best measurement and analytical skills are available in staff units including institutional research and planning, budget and finance, and institutional advancement. Environmental analysis will look for ways to relate the interests of formerly discrete constituencies and markets. The chief business officer will play an increasingly dominant role in defining the terms and conditions of the planning process in the years ahead if academic planners are unprepared to engage their know-how to address financial issues. A precursor of their potential planning role can be found in the Benchmarking project spearheaded by National Association of College and University Business Officers (NACUBO).

Equally important is the need to refocus internal analysis on process and away from organizational units, functions or products. This effort starts with identification of key academic processes and rigorous assessments of the value chain. Analysis and alignment of organizational capabilities will complement this task. An example of this approach can be found in the Research and Planning Group of the California Community Colleges, which redefined "the quality of learning" as the process that fulfilled student outcomes, not the "quality of instruction". In doing so the planners redefined the role of faculty as designers and managers of learning experiences rather than teachers providing classroom-based instruction (Barr, 1993).

Given the nature of this conference, it is appropriate to highlight the role and status of institutional research units in the planning enterprise. In some colleges, research units are treated mainly as a cost center rather than as an enterprise. This may say as much about their customers as it does about the service providers. By contrast, academic program-based research and policy institutes merchandise their services to the external community and enjoy considerable status as revenue-generating enterprises. They are encouraged by their collegiate sponsors to pursue their claims on corporate and public contracts in return for indirect costs and enhanced reputations. A few university-based counterparts to the National Center for Higher Educational Management Systems (NCHEMS) can be found in large universities. Public comprehensive colleges (AASCU sector) need intellectual leadership in developing and applying new models for strategic planning. Those planners who are able to provide that leadership may find a ready market for their services.

Lessons from Rowan College: A Reflection on Applied Strategic Planning

During the 1980s, New Jersey doubled its investment in higher education in an effort to make state colleges more attractive to college students and to curb a significant rate of outmigration. Rowan College (formerly Glassboro State College) profited from enormous growth in the economy, as did other state institutions. Rowan first ventured into institution-wide planning in 1983-84 by developing an *academic* plan. A bottoms-up approach produced what could be characterized as an inventory of programs and practices each school and department expected to sustain. It attempted few, if any, real reductions and did not extend to administrative and non-instructional support units.

By 1987-88, several environmental factors changed the climate for higher education and prompted a new strategic planning cycle (Marchese, 1991). First, autonomy legislation gave state colleges greater responsibility for their own affairs. Second, Governor Kean directed the colleges to define their missions and to adopt a distinctive role that would set each apart from other institutions and lead to programmatic excellence. This charge signaled an emerging shift in funding policy that increased categorical grants and slowed growth in state base budget contributions. Third, the state established a planning mandate and launched an accountability requirement that focused on assessment.

Rowan College's second five-year planning effort was begun in 1986-87. This planning process was broadened to include administrative units. It stressed an array of new ventures to be financed through state categorical "challenge grant" funding or firm commitments for bond issues. A number of enhancements, however, were targeted for "external funding" with no clear source of revenue budgeted. A review of the institution's track record on implementation is a harsh lesson in new venture management. With rare exceptions, the new initiatives which lacked an explicit funding commitment at the outset, remained unfunded and unfulfilled at the end of the five-year cycle.

By 1989 the New Jersey economy had begun to weaken and state support to public colleges flattened. Thus began the current period in which colleges have suffered a 25% decline in state support (adjusted for inflation). As the slide began, in Spring 1990, Rowan College embarked on a new cycle of comprehensive strategic planning aimed at forging a new five-year plan for FY93-97.

The Study Group on Restructuring of the Pew Higher Education Research Program (1993) was formed in 1991 to examine the effect of budget constraints in the 1990s and to learn how colleges have responded. They report that most colleges have taken a conventional reactive short-term approach of either attempting to enhance and diversify revenues (raise annual tuition, launch fund raising campaigns and new business ventures) or impose budget discipline (cut the "fat", reduce non-essential activities). Their study cites Rowan College along with eight others for having gone beyond the traditional approaches to pursue institutional restructuring. Restructuring at the micro (program) level involves approaches such as reengineering of work or a cultural shift to Quality management principles. Restructuring at the macro level entails tactics to develop incentives for educational quality and productivity and it also involves reshaping the institution. Rowan took the latter approach and pursued a strategy termed *growth by substitution*.

Although previous planning rounds were serious efforts, there were a number of fundamental differences which cast this process cycle in a more entrepreneurial mold and led Rowan College to achieve greater innovation. Galbraith (1984) begins his description of the typical process by which innovation occurs in organizations by distinguishing between invention (creation of a new idea) and innovation (application of a new idea to create a new process). His template for the innovating organization has a significant number of parallels with the Rowan planning process, as will be discussed below. He gives special attention to innovation which arises when a new idea is not consistent with the current concept of the business.

The basic premise on which Rowan's current strategic planning process was founded rejected the idea that "business as usual" would continue. The president's charge to the Strategic Planning Committee (hereafter, SPC) in February 1990 was to generate funds for new initiatives by reducing or eliminating other outdated or less productive programs. This charge, along with environmental scans which predicted steady-state or declining financial conditions, led the SPC to recognize, albeit reluctantly, that internal budget reallocations were the only practical source of venture funding. New initiative financing would be balanced by reductions and phase-outs among academic programs and administrative units for which there was marginal need and quality -- a first for the college -- as well as projected retirement savings.

The committee ultimately formulated a plan which provided priority fundin_ to enhance or improve a number of academic and administrative programs by phasing out 23 assorted degree, teacher certification, and specialization programs and reducing 5 others. The plan reallocated between $2.7 and $3.5 million and called for personnel reductions through the layoff or retirement of 51 FTE employees (25 full-time faculty, 7 FTE adjunct faculty, 6 professional staff, 3 managers, and 10 other staff) during a five year period. The most striking innovation was *not* reallocation for academic initiatives, since all slated for enhancement were preexisting. Rather, the plan's greatest accomplishment in financial terms was in *academic support*, with considerable emphasis placed on developing technological capabilities within the library and academic computing, and computerizing the advisement process.

A representative, high-level college-wide steering committee is a common vehicle for management of strategic planning and Rowan College's approach was no exception. Its leadership and composition, however, was pivotal. In keeping with past practice, the president appointed the provost, who had joined the College six months earlier, to chair a Strategic Planning Committee (SPC). The seventeen members included faculty, staff and management.[1] Each had played roles in the leadership of the institution as department chairs, elected members of governance bodies, or as key members of senior management. However, it was made clear at the outset that while each had been selected from a particular constituency in order to obtain an array of perspectives and skills, none were "representatives" of their units or groups. This norm was reinforced repeatedly as the group reached the stage of reviewing and prioritizing programs. To minimize bias toward each member's program, the member was neither permitted to participate in discussions about his or her program nor to vote on priorities regarding that program. Members *were* permitted to answer questions concerning fact if solicited from others in the group.

Structure - Roles: Galbraith cites the need for more than an idea generator - the inventor -to innovate. Also needed are *sponsors*, who discover an idea, recognize its significance, and nurture the idea by lending authority and finance its development. Individual members of Rowan's SPC played this role throughout the internal analysis and decision-making phase. In addition, the SPC leveled the playing field for academic programs and administrative units by randomly assigning two members to act as primary reviewers. These individuals studied the unit or program data intensively and subsequently led the SPC in discussion. The valence of their assessment often became an endorsement. An *orchestrator* is also needed since, as Galbraith

[1] The membership included 7 faculty apportioned by the size of the four schools [liberal arts & sciences, education, fine and performing arts, and business]; 2 additional faculty who represented respectively the college senate and one of the bargaining agents [American Federation of Teachers]; 2 professional staff [1 from the central campus, 1 for the urban campus); 1 Librarian; 5 senior managers [the provost (chair), VP for administration & finance, a school dean, director of admissions, and the director of institutional research]. Two students also were appointed but their sporadic participation in the first year led the committee to drop them from membership at the decision-making phase.

notes, innovative ideas destroy existing investments and people's careers. This orchestrator role is played by one who has the authority to maintain the power balance and elevate the more divergent ideas and protect the sponsors whose endorsements challenged the established order. At Rowan, the provost played this role as SPC chair. Despite the sanction of the president to reduce and phase-out programs, this is a most difficult recommendation for faculty or staff to make and continual reinforcement is essential. Later, when it came time to publish the results, secure institutional commitment through the governance process, and to implement the plan, SPC members were prepared to serve as a resource to their own constituencies to translate ideas into actions.

Structure - Differentiation and "Reservations": Galbraith indicates the odds of stimulating innovation are better if the early effort is differentiated physically, financially and/or organizationally from the day-to-day operation in order to provide a safe haven to perfect and test the new "crazy" ideas. That the SPC was not a preexisting group involved in operations was a key to its success. Moreover, as the SPC forged deeper into the planning process and reached a final six-month decision period, a *virtual reservation* of sorts was established. The SPC adopted a self-imposed rule of confidentiality, shifted to longer meetings in the evenings and met on weekends, and chose atypical meeting sites including an off-campus hotel at one point. This "safe haven" permitted members to rapidly test their ideas regarding priorities and recommended actions.

Key Processes: Galbraith notes that many innovations occur through happenstance. But, the odds of sustaining an idea from its generative stage through institutionalization can be improved through process design. The five innovation processes include funding, idea getting, idea blending, transitioning, and program management.

The funding process in strategic planning can be looked at from two perspectives: whether there is adequate funding for planning activity and how to assure control over subsequent funding to implement its recommendations. First, SPC funding was as an implicit obligation of the academic affairs division and the office of the provost. An office of institutional research and planning (IRP) had been formed in the late 1980's. In 1990 a learning outcomes assessment program, which had been funded by grants for the three previous years, was incorporated into IRP. This unit's resources, along with senior staff from the office of the provost, assisted in research and writing to support committee activities. As the SPC began to work intensively in fall 1990, it became clear that committee service would far exceed the normal obligation of a faculty or staff member.[2] Negotiations with the bargaining agent led to overload compensation

[2] In the first three years of SPC activity, the real cost of the hours of service by all members and the senior staff has been estimated at over $130,000 based on prorated full-time salaries. Overload payments totalled approximately $15,000 for the SPC steering committee in Spring 1991. When Level III tactical committees began their work in summer 1992, another $32,000 was allocated to assure that bargaining unit members would be available to continue meeting. Finally, the value of IRP staff support and materials and supplies could be estimated at

for committee members during the spring of 1991 for their evening and weekend work. Later in 1992, compensation was paid when school committees needed to meet over the summer to develop Level III plans. Funding for the strategic plan initiatives was assured through the involvement of the vice president for finance as a member of the SPC. This key actor was integral to developing accurate budget projections for reallocations and identification of funding alternatives for proposals generated by the committee. Moreover, the requirement of having a planning body that is representative of the college community typically assures that many of the members, particularly faculty, will be novices with regard to budgeting and finance as well as the closely-related process of enrollment modeling. This means that considerable meeting time must be devoted to educating members in how to make financial decisions.

Idea getting can be improved, according to Galbraith, by network building actions such as service on multidivision assignments, institutional seminars, and conferences. Several SPC practices mirrored these conditions. In addition to the steering committee, members were assigned to smaller subcommittees to work out key planning issues. Second, several college-wide conferences were held to solicit campus input and debate the issue of developing a vision statement for the college. A number of SPC members attended conferences such as the Society for College and University Planning, and a "Metropolitan Universities" conference sponsored by Wright State University. Another approach to nurturing ideas was involvement of two national strategic planning gurus, George Keller and Robert Shirley, as consultants to the SPC. The *idea blending* process involves the convergence of **need** for a new idea with a recognition that **technology for implementing** it is available. This process emerged during Levels II and III strategic planning. After Level I planning generated the basic set of recommendations, Level II planning developed a series of resource plans with a college-wide view. These included budget, campus climate, educational opportunity, enrollment management and access, facilities, human resources.

Transitioning is the most crucial process in Galbraith's scheme. This involves moving the planning ideas from the committee's internal proposal stage to the actual units which will implement them. Transitioning in the Rowan College plan took two forms. First, once draft documents were completed, they were subjected to review and debate within the larger campus community. Open forums, governance reviews and press coverage were means for promoting the adoption of proposals and identifying unforeseen obstacles. During this period, some recommendations were rescinded based on new evidence. Second, the transition to the operating level was further assured during Level III. A series of academic school and divisional administrative planning groups were formed to hammered out the specific action steps and timetables for carrying out strategic goals.

The *program management* process is the last of Galbraith's ingredients for successful innovation. It is necessary to have at the operating unit level not only the will to implement an

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approximately $120,000 over three years. Altogether, these estimates bring the three-year cost to about $290,000.

innovative program but also the administrative capability to act on new ideas. Moreover, reinforcement for implementation requires a strong monitoring and feedback system to track progress. In this regard, Rowan met one of its greatest challenges. Strategic planning is fundamentally externally focused and aimed at aligning the institution's goals with the environment. Yet, gathering information though environmental scanning took the least amount of time (about three months) and generated the least disagreement within the committee and campus. Internal analysis -- the selection and application indicators of effectiveness, quality and programmatic need to comparatively assess program attributes -- was the critical path (taking over nine months to complete). This experience raised questions about not only the precision of our institutional data system, but also suggested the need to devise new units of analysis and relevant measures and instruments. This is not surprising. Business firms embarking on quality management programs often are shocked to discover a gap between their accepted assumptions about existing quality control practices. When measurement and control instruments and their error tolerance are examined and concatenated for any given process, one sometimes finds elaborate mechanical systems produce no better results than do "educated guesses".

In Rowan's case, a key payoff from its planning investment was the diagnostic effect it had regarding institutional research measurement, budget monitoring, and learning outcomes assessment. As a consequence the College has a stronger commitment to developing an assessment process for quality, need and linkage with cost data as well as an emphasis on increasing the integrity of the data itself. Moreover, difficulties in measurement of selected internal characteristics have led to a closer look at and revision of selected academic policies and procedures. One case in point was the lack a clear definition of a matriculated student or sufficient controls on the "student leave of absence" and "stop out" policies. In the past, students who did not file a leave request and did not return in successive semesters were carried on our books as "matriculated" for an indefinite period of time. Hence, "number of matriculated majors" was an unreliable measure of program demand, not to mention a meaningless data element in enrollment planning. As a consequence, the policy was revised.

Rowan College is now in working on redesigning four processes related to planning which should converge to strengthen its future capabilities for both planning and subsequent control. First, the Board of Trustees has assumed a more prominent role in the planning process. They targeted the need to develop both a vision statement the aligns the college with its surrounding rapidly developing regional economy and a clearer set of long-range goals (15 - 25 years) to guide the institution in future planning efforts. Second, the College has elevated the importance of striving for comparative advantage in planning and has begun to make greater use of analysis of "cohort institutions". Third, the institution began participating in NACUBO's "Benchmarking" project two years ago and expects to incorporate the external cost comparison to develop better institutional productivity. Fourth, the SPC has redesigned working definitions of 25 indicators of need, quality and cost in academic programs and related them to resources, institutional processes, and outcomes. A pilot test is underway and a "decision-making simulation" will be completed by FY95. A comparable set of indicators will be developed for administrative functions.

Conclusion

The planning enterprise in academic settings is serious *business* in every sense of the word. It offers institutions a framework for identifying and nurturing innovation. It can serve as a model of entrepreneurial behavior for the institution. New managerial concepts borrowed from the for-profit service sector are facilitating the adoption of strategic planning within academe. The effort of one college to embrace change provides evidence that formerly bureaucratic state related institutions can succeed in developing innovations through the planning process.

As a postscript to this essay, it is noteworthy that the Ides of March brought yet another dramatic change that promises to test the resourcefulness of the planning capabilities of Rowan College. In a March 15, 1994 budget message, New Jersey's newly elected Governor, Christine Whitman, announced the state department of higher education would be eliminated as of July 1994. This action further reinforces the need for New Jersey's state colleges to accelerate their transition to *privatization*. The planning imperative will take on increased importance as this process unfolds. Rowan College is counting the strength of its planning enterprise to meet that challenge.

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