



## Strategic Planning Work Group Report: Competitive Forces

March 18, 2013

### Workgroup Members

Vicki Berling	Executive Director, Educational Outreach - <i>Facilitator</i>
Charita Brewer	Director, Arts & Sciences Administration, Planning and Budget - <i>Recorder</i>
Kevin Kirby	Dean, College of Informatics – <i>Principal Writer</i>
John Filaseta	Chair, Physics and Geology
Lauren Franzen	Manager, Management Services, Human Resources
Melissa Gorbandt	Director, Admissions
Ashley Grimes	Coordinator, New Student Orientation & Parent Programs
Ken Kline	Senior Director, Budget Office
Susan Mospens	Director, Student Achievement Center
Sandra Spataro	Faculty, Management
Paula Stapleton	Assistant to the VP, Student Affairs
Brandelyn Tosolt	Teacher Education

## ■ Introduction

This paper is a “summary of the primary competitive forces that should be considered as the university develops its vision and strategic priorities for 2018.”<sup>1</sup>

*Competitive forces* include *competitive threats*, and as such this report is primarily focusing on the “threat” component of the overall SWOT analysis being produced collectively by the work groups. Competitive forces may also suggest certain *opportunities* to compete, however, and we note them below.

This working group is not charged with making recommendations; that is the prerogative of the Strategic Planning Committee as a whole. Nevertheless, for some of the competitive forces we identify in this report we go on to suggest possible university responses that the committee may wish to consider.

## ■ Methodology

The Competitive Forces work group convened initially on January 30. The group decided to break into three subgroups addressing three (partially overlapping) classes of competitive forces:

- Competition for “brick & mortar” students
- Competition through innovative technological modes of education
- Competition in the ability to respond to workforce needs

Each subgroup met as a group at least once, tasked with researching the competitive landscape in these areas. Subgroups reported back to the combined workgroup on February 27, leading to recommendations that are incorporated in this report. Because some of the identified forces intersected multiple subgroups, and some of them did not naturally fit in one of the three classes, the list in the next section is not organized by these classes, but does reflect the work done by the members of each subgroup.

## ■ Findings: Primary Competitive Forces

### 1. Competition in place

Due to the population density of our region, we have a high level of recruitment competition from a variety of institutions: local schools, the Kentucky regional universities, proprietary institutions, community colleges, vocational schools, and even out-of-state institutions. There are full time college recruiting representatives located in the Northern Kentucky /Greater Cincinnati area from institutions as far afield as University of Alabama, University of South Carolina, as well as from the University of Louisville, Western Kentucky University, and Morehead State University.

Our Admissions Office believes that NKU is not even considered by many students who are looking for the traditional, residential experiences that include state-of-the-art campus facilities, or well-known athletics programs.

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<sup>1</sup> <http://strategicplanning.nku.edu/workgroups/competitiveforces.html>

There is strong competition for the relatively small number of racial/ethnic minority students in the state of Kentucky. Other institutions are offering them more money through scholarships, which is often a determining factor.

Of those graduating high school, Kentucky has a relatively low percentage of students that meet college readiness standards, forcing many to choose KCTCS, to complete developmental, foundation-building courses. NKU will need to ensure it has strong articulation agreements to encourage these students to consider transferring to NKU.

The following are the percentage of 2011 graduates who met CPE System Benchmark standards on the ACT, from schools listed as NKU's top 10 feeder high schools in 2011:

Campbell Co	44.1%
Larry A Ryle	54.4%
Simon Kenton	36.1%
Boone Co	41.7%
Dixie Heights	42.6%
Conner HS	47.2%
Cooper	42.3%
Scott	43.4%
Highlands	75.8%
Lloyd Memorial	39.4%

Competition by virtue of our place also affects faculty recruitment. Minority faculty members may find other geographic locations more welcoming, so it becomes more of a challenge to balance this with an inviting university environment.

## **2. Competition by shifting modes of education**

The most commonly cited *new* competitive force impacting NKU (and indeed higher education in general) is the availability of massively open online courses (MOOCs), offered typically free of charge and produced by some of the most prestigious universities in the country. (The Strategic Planning Blackboard site contains a continually increasing set of references on this subject.) Although most students currently enrolled in MOOCs do not successfully complete the course, and most that are taking the course as a professional refresher, they are at an early stage of evolution and closer integration with traditional universities may shift this.

The impact of MOOCs includes: (a) the threat of students transferring in substantial portions of their coursework from MOOCs, once it has become standard practice for state universities to count transfer credits; (b) the increasing visibility of competing universities who use MOOCs in a “try before you buy” mode, such as the University of Cincinnati’s MOOC2Degree program; (c) the possibility that a large population of adult learners seeking focused skill sets will gravitate toward “badge-based” or other granular education opportunities available at lower cost and greater flexibility than the online or hybrid programs on offer at NKU.

The strategic plan may address how NKU should acknowledge learning from MOOCs and other private learning programs (e.g. for placement or for credit). Further, NKU may wish to consider offering a selection of distinctive MOOCs on its own, to highlight uniquely attractive programs. The university may also wish to consider competency-based assessment of learning from other places as a control mechanism or quality check.

### **3. Competition due to shifting perceptions of the value of higher education**

A cultural attitude shift among students (and parents of students) toward viewing the college degree as an investment toward increased likelihood of employment or higher salaries, rather than something of generalized value, may force changes to keep enrollment high, both in liberal arts programs and in programs with a large core of skill-based courses (which can easily be replaced by training programs rather than higher education). Students and families increasingly want to see a direct connection between a program of study and employment, and this sometimes puts us in competition with other schools that have more degrees that have a clear path to a career (e.g., physical therapy) as well as technical and cosmetology schools.

An increasing number of students and families are questioning whether a college degree is worth the cost and whether it will lead to a job. Nevertheless, the CPE projects that 56% of Kentucky jobs will require some college education by 2020.

### **4. Competition in cost**

NKU is no longer the low cost option. Eastern Kentucky University, Morehead State, and Murray State have lower tuition rates. Even with full Pell grants and full loan eligibility, metro-rate and non-resident students are not able to meet the cost of attendance including room and board in some cases.

Many of our students must work to support their education, and employment often competes with both recruitment and retention. Local students are drawn to jobs that pay above minimum wage directly out of high school because they feel they cannot afford to attend college and would rather make money right away. Current students often work too many hours which interferes with their academic success and ability to partake in important and sometimes even required co-curricular experiences, such as internships and student teaching.

### **5. Competition for transfers**

At present, other institutions accept more credit hours and serve transfer students more holistically after enrollment than NKU does. Other Kentucky institutions offer “2+2” articulation agreements with KCTCS; these agreements encourage students to pre-select their 4-year institution when they enroll at 2-year level. (There are efforts currently underway to aggressively expand articulation agreements with NKU). Our fellow regional Kentucky institutions are more flexible for so-called “swirling” students who partake in classes and services in multiple campuses simultaneously.

The quarter-to-semester change in the state of Ohio is requiring NKU to rebuild all articulation agreements and course-to-course evaluations. The University of Cincinnati is now offering a bachelor’s degree in Applied Administration on the Clermont Campus with the plan to expand this to up to 10 baccalaureate programs.

### **6. Competition for online students nationwide**

Online programs at other institutions are competing for students nationwide. In order for NKU to join in this competition, it will need to invest in having its program licensed in large numbers of other states. This is an expensive proposition, but licensure by all 50 states is being entertained at some universities such as Morehead State.

## **7. Competition for adult students**

Adults (over 25) now constitute an increasing percentage of total higher education enrollment, and competitors offer programming opportunities that address their unique needs. MOOCs and many other “disruptive” innovations tend to be heavily enrolled by the adult market, as is online education in general. Advancing in these efforts may be required to address the needs of the working adult student who requires that level of flexibility to return to college and persist to graduation.

## **8. Competition in experiential learning**

The value of experiential learning (such as cooperative education and internships) is becoming more widely recognized. Ohio has invested this year \$11 million as part of a paid and unpaid internship/co-op program. The University of Cincinnati has a long tradition of strong cooperative education, and is lately enhancing their university-corporate relationships to create more opportunities for students in the STEM fields and Informatics in particular. (There is high demand in the labor market for STEM graduates, and STEM degrees have highest starting and mid-career salaries. At the baccalaureate level, high demand fields are identified as computer science, engineering, health professions, life sciences and agriculture, and physical science occupations.) With gaps in skilled workers (technology and nursing) and reductions in job training programs, employers look to universities to provide training through cooperative learning opportunities and internships.

NKU is currently taking steps to integrate advising and career services, and promote co-ops and internships more aggressively within its colleges, but the competitive landscape is changing quickly and even more aggressive efforts may be called for.

There is increasing demand from the public that higher education recognize the legitimacy of prior learning, either through portfolio credit or competency-based testing. One example is Western Governors in neighboring Indiana.

## **9. Competition for philanthropic attention**

Of NKU’s largest individual and corporate foundation donors (about 25 at the \$1M+ level), many also give to our competitors, such as University of Cincinnati, University of Kentucky, and Xavier University. These other schools are very aggressive in their cultivation and stewardship of major donors, have undertaken very large campaigns, and highlight several programs of distinction that serve to attract philanthropic interest. As NKU scales up and prepares for a major campaign it may be useful to see what our major donors find especially attractive about NKU and work to foreground those programs if feasible.

## **■ Conclusion**

After surveying the array of competitive forces, the fundamental question comes down to the nature of our response. Do we compete along those lines of force, in the same general directions? (Sometimes this is called “mimicking” our competitors, but that language seems too value-laden.) Alternatively, do we work perpendicular to the lines of force, developing or enhancing distinctive programs that take us in new directions that our competitors are not prepared to excel in? It is likely that a strategic response to these competitive forces will be a mixture of the two strategies.