



Transformation  
Collaborative

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Idea Pathway, LLC, and the  
Transformation Collaborative™

# Game Changing Leadership in Times of Profound Change

*What is Required Now and through the Next Normal*

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# Contact Information

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Transformation  
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Thought Leaders Who Execute™

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The *Transformation Collaborative*™ has one purpose: to help institutions of higher education survive and thrive, now and through the next normal, by reinventing themselves for the world they're in, rather than the one in which they were founded.

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# Table of Contents

1

Introduction

2

The Current and Future States

4

Leadership in Times of Profound Change

5

The Transformation Collaborative

Managing through  
current disruption  
is essential to  
surviving, but  
transformation is  
required to thrive  
in the next normal.  
Who will lead that?



# Introduction

**The Challenge | Definition | The Dilemma | Implications**

# The Challenge

Higher education is currently facing the greatest challenges in its centuries long history. Even before the pandemic, the industry was in the 9th year of consecutive enrollment and revenue declines precipitating nearly 1,500 reorganizations, mergers, and closures. The traditional, credit-bearing, degree granting sector of the post-secondary education ecosystem is shrinking and will continue to decline for the foreseeable future. It is essential that when the shakeout is complete that the market, though smaller, be more dynamic, nimble, customer-centric, and better integrated with other elements of the post-secondary ecosystem than it is today. Success in the next normal requires several things, but dynamic, game-changing leadership may be the most important.



# Definition - Leadership

Game-changing leadership is leadership that takes inputs (fiscal resources, technology, human capital, strategy, etc.) and generates radically increased outputs such as customer value proposition, innovation, sustainability, growth, financial strength, relevance, social value, etc.

Unlike traditional leadership which was mostly transactional and based on technical skill and process, contemporary leadership requires leveraging human capital to create success through others.



# Definition – Transformational Change

Transformational change is a *radical departure* from the status quo in an organization, leading to foundational changes in the *nature* of the entity. This can be cultural, structural, behavioral, the business model and market, product strategy and even the organization's mission and purpose.

Unlike transactional or incremental change, transformational change requires a deeper focus on culture, mission, and motivation, and often goes to the core of why people are in the organization to begin with.

# Why Transformational Change Is Required

- Traditional colleges and universities are built on a model designed to perpetuate the status quo.
- That same model represents severe structural impediments to addressing both internal and external threats, and thus must be completely restructured in order to meet the depth and breadth of the current, existential challenges.
- The necessary student value proposition cannot be achieved with current models.

Removing these impediments requires reinvention.

- High fixed overhead
- Limited-source revenue model
- Shared governance model
- Organizational and academic culture
- The regulatory regime
- Inadequate leadership
- Constituencies invested more in the status quo than the future

# The Criticality of Effective Leadership

There was a time when an average leader with above average technology or capital or strategy could succeed. In today's reality, virtually no competitive advantage by itself is adequate for an organization to thrive in the absence of highly effective leadership.

# The Present Dilemma

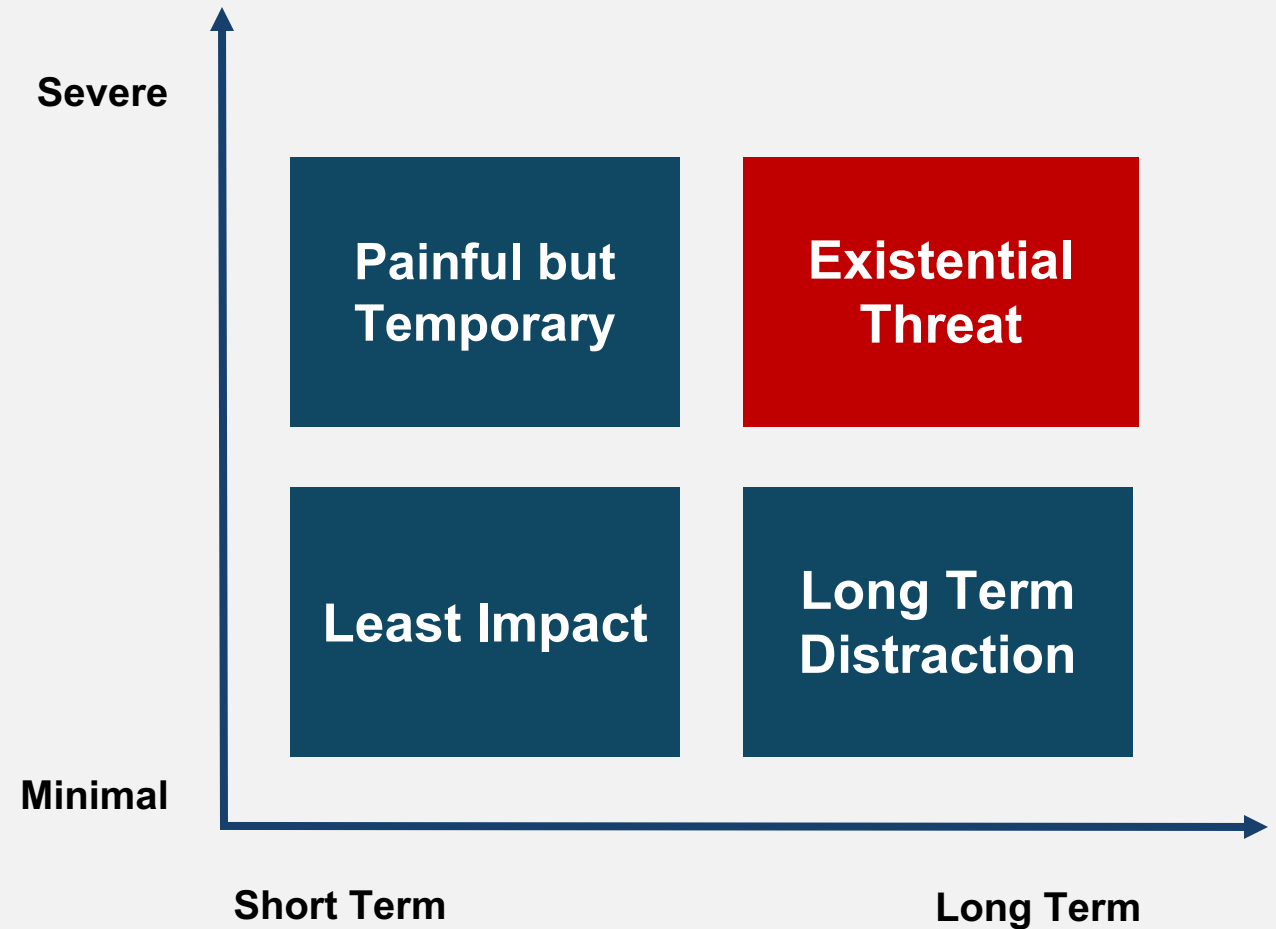
Very few leaders have any meaningful lived experience with running the daily operation, managing through disruption, and planning for the future—let alone a transformed future—all at the same time.

# The Current and Future States

**External and Internal Factors Contributing to the Decline in Traditional Higher Education  
and the Need for Dramatically Different Leadership**

# The Current Crisis (It Started 10 Years Ago)

The current crisis is long term, severe, existential, and we will not return to the previous normal when it's "over."



# The Current State

Some substantial number of institutions will not survive as they exist today:

- 1,000,000 fewer students in Career Colleges since mid 2000s
- Nearly 3,000,000 fewer students across all of higher ed
- Ten-year enrollment decline with last two years showing steepest declines
- Virtually all growth in less than 100 of 5,800 Title IV institutions
- Thirty percent of colleges were operating in the red **before** COVID
- HEERF funding expiring
- Significant market shift to non-credit, non-degree options
- Approximately 1,500 colleges total have merged or closed since 2010

At current rates, at least 300 private, non-profits could merge/close by 2028 and a similar number of for-profits could close in the same period.

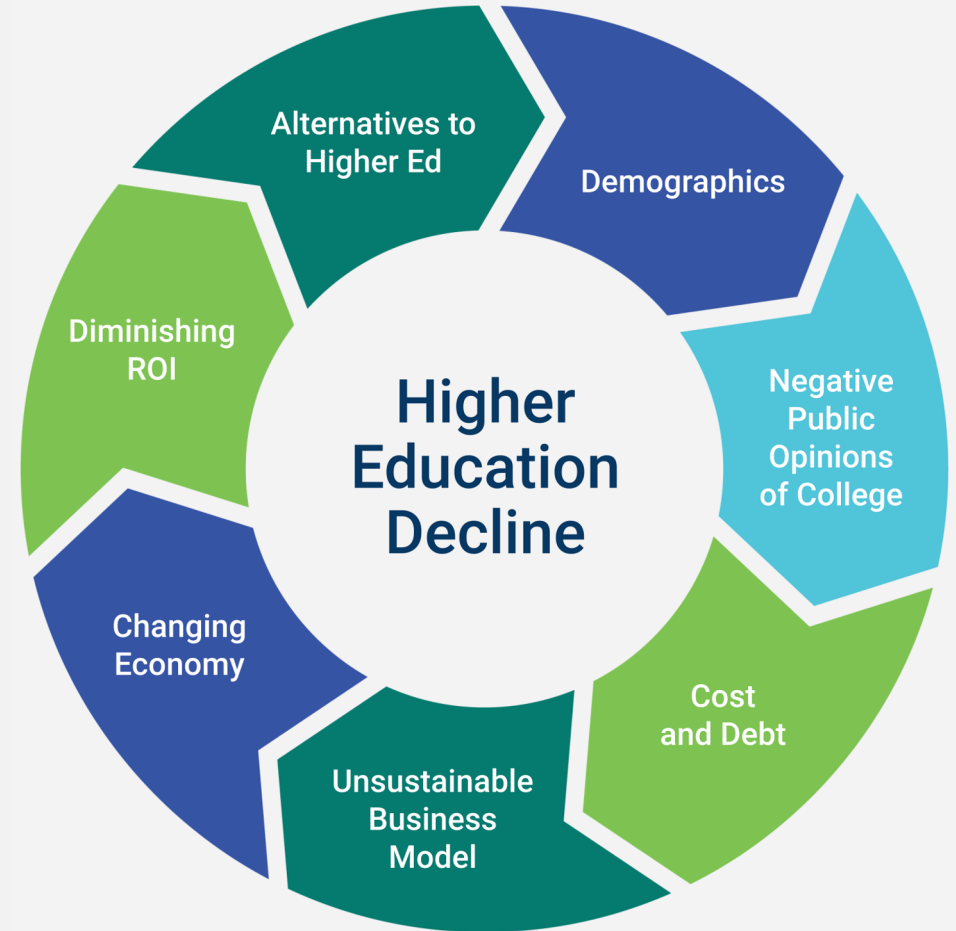




# The End of Higher Education As We Know It

- Higher education is at an existential crossroads in which a combination of external factors have conspired to render the traditional financial and operational models obsolete for a majority of institutions.
- About a third of all colleges and universities enroll students with some level of exclusivity, but as enrollment continues to decline, the top will cannibalize the schools below it, decreasing exclusivity for all.
- A very small number of extremely exclusive and well-funded colleges can continue to operate much the way they have. This represents less than 10% of all IHEs.

**There is a difference between being “open” and being relevant, robust, and sustainable.**



<https://wallacekpond.com/2021/01/02/the-end-of-higher-education-as-we-know-it/>



# Alternatives to College

Growing move away from college degrees

## Short Courses

- Industry badges & certifications
- Boot camps

## On the Job Training

- Ab-initio training
- Apprenticeships



Netflix bootcamp in partnership with Norfolk State University & 2U



Google certificate training in several areas made available to the public, blowing up both the degree and tuition models at the same time



Amazon training programs

# Non-Degree Program Research

- 62% of adults would prefer a non-degree program over any degree program.
- 51% of non-degree programs are offered by non-college organizations.
- Alumni outcomes of non-degree programs are higher than associates degrees, but slightly less than bachelor's degrees.
- Labor market outcomes (pay and job satisfaction) are better for non-degree programs than associate degree programs and the highest value programs are in health sciences.
- Adults who combine any college degree with a non-degree program report the highest quality and value.

According to the Department of Labor, the average tenure for American jobs was down to 4.1 years in 2019, but the average life span for work is 60 years. Therefore, a college degree has to provide value for 15 different jobs over six decades!

Strada Education:

<https://cci.stradaeducation.org/pv-release-july-28-2021/>

# The Old vs. The New

How many of  
these boxes can  
your institution  
check?

Traditional		Transformed
Academic Programs		Product Strategy
Fixed Academic Calendar		Just in Time Offerings
Transactional		Transformational
Proprietary/In House		Shared/Partnerships
One Business		Multiple Businesses
Accredited		Industry Validated
Credit-Bearing/Degree Granting		Certificate/Industry KSAs
One and Done		Life-Long Relationship
KPIs		Sustainability
Standardized		Innovative/Customized
Institutional Outcomes		Student Value Proposition

# Trifurcated Higher Education Market

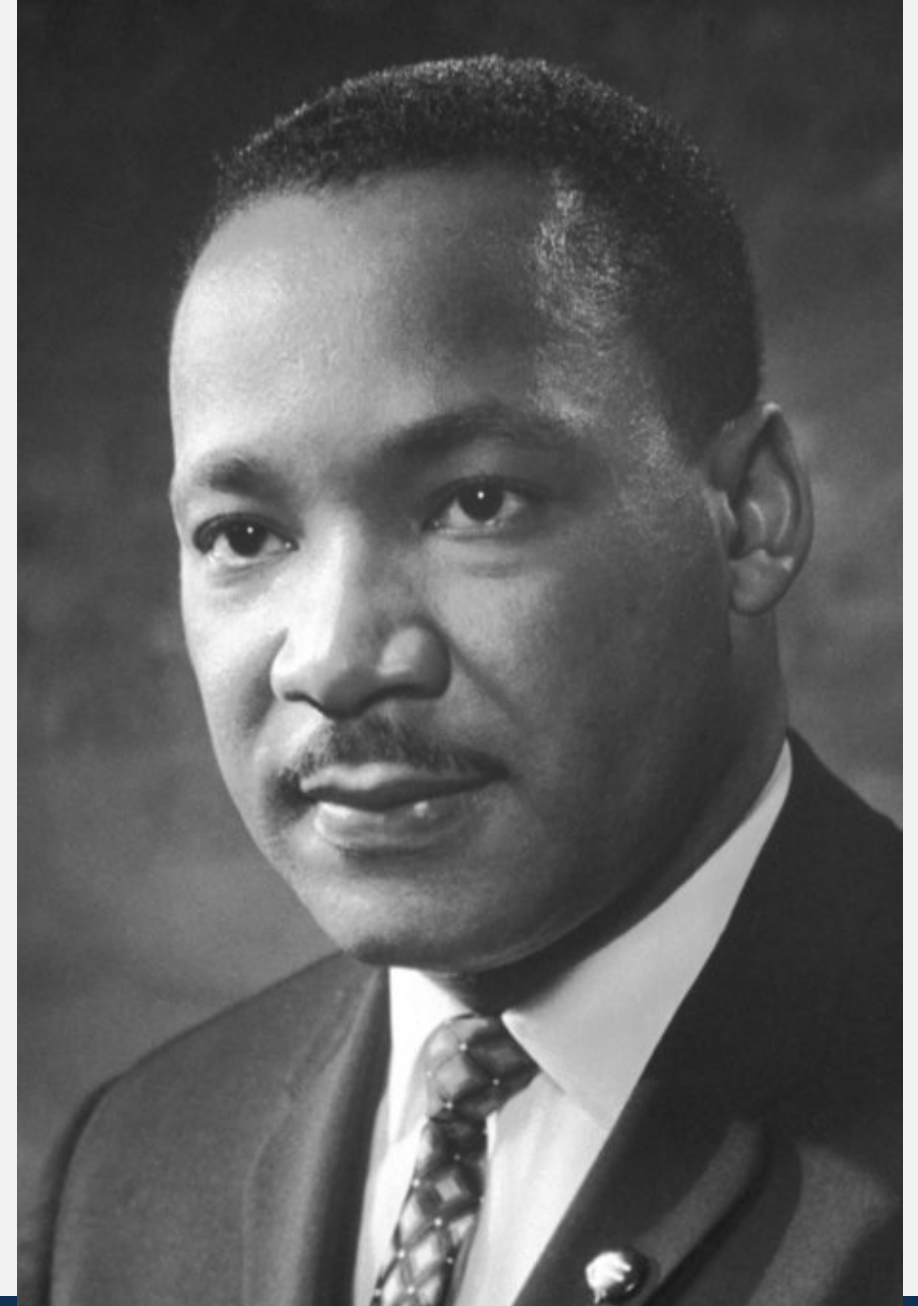
Exclusive Few Institutions	Mass Market Few “Mega” Institutions	Everyone Else Many Institutions
<ul style="list-style-type: none"><li>• High Tuition</li><li>• Mostly Private</li><li>• Residential</li><li>• Wealthy &amp; Powerful</li><li>• 10-15% of Enrollment</li></ul>	<ul style="list-style-type: none"><li>• Open Admissions</li><li>• Affordable</li><li>• Flexible Delivery</li><li>• Consumer Focused</li><li>• Industry Aligned</li><li>• Six Figure Enrollment</li></ul>	<ul style="list-style-type: none"><li>• Low or No Exclusivity</li><li>• Highly Competitive</li><li>• Little Differentiation</li><li>• Moderate to High Risk</li><li>• Declining Enrollment</li></ul>

The new reality requires that more than half of colleges and universities engage in some level of reinvention in order to survive and thrive.

# Leadership in Times of Profound Change

**An Evolution in Abilities, Skills, and Traits for a Completely New Challenge**

“The ultimate measure of a man is not where he stands in the moments of comfort, but where he stands at times of challenge and controversy.” – Martin Luther King, Jr.





# The Evolution in Contemporary Leadership

## Traditional Model

- Success through self
- Process expert
- Authoritarian
- Boss
- Egocentric
- Transactional
- Directive
- Cognitive intelligence

## Contemporary Model

- Success through others
- People expert
- Empowering
- Coach/partner
- Vulnerable/authentic
- Transformational
- Collaborative
- Emotional intelligence

The contemporary model was growing in criticality before the COVID-19 crisis, but the pandemic has accelerated the growing ineffectiveness of old approaches.

<https://wallacekpond.com/2019/04/26/the-remaking-of-the-contemporary-leader/>



# The Technical Skills that Do Matter

- Mergers & Acquisitions
- Business Development
- Product Strategy
- Cash Management
- Change Management
- Big Data

Higher education leadership is evolving toward a retail/private sector model

# The Trifurcated Leader

## Operational/Tactical

- Communications (Multi-Directional)
- Planning
- Prioritization
- Distribution of Resources
- Accountability

## Humanistic

- Trust
- Compassion
- Hope
- Empathy
- Conviction

## Transformational

- Vision
- Empowerment
- Entrepreneurialism
- Risk-Taking
- Innovation

The new reality requires that either leaders or leadership teams effectively meet the needs of all three leadership domains simultaneously.

# What Followers Need from Leaders Now

- Competence
- Preparedness
- Empathy
- Compassion
- Conviction

Leaders will derive more value from authenticity than from having all the answers!

Gallup International. <https://www.gallup.com/workplace/304607/remember-needs-followers-during-covid.aspx>

# The Power of Vulnerability

“Vulnerability is not winning or losing; it's having the courage to show up and be seen when we have no control over the outcome. Vulnerability is not weakness; it's our greatest measure of courage.”

Brené Brown



# The Human Factor - Allowing Others to be Vulnerable

“

“Until recently, the predominant advice to managing your emotions at work was: Don’t have them....Ultimately, we allowed the guise of professionalism to eclipse the emotional experience of being human at work.”

”

*COVID 19 and the Welcome Collapse of Professionalism, Kit Krugman*

# Important Areas of Leadership Focus: Short Term

- Stabilize the organization
- Adapt for the reality
- Plan for moving forward
- Communicate
- Support *people*

Be present, visible, and available.





# Important Areas of Leadership Focus: Longer Term

- Create a compelling future vision
- Empower people as entrepreneurs
- Support innovation
- Build transformative culture
- Support people

Be confident,  
empowering, and people-  
centered.



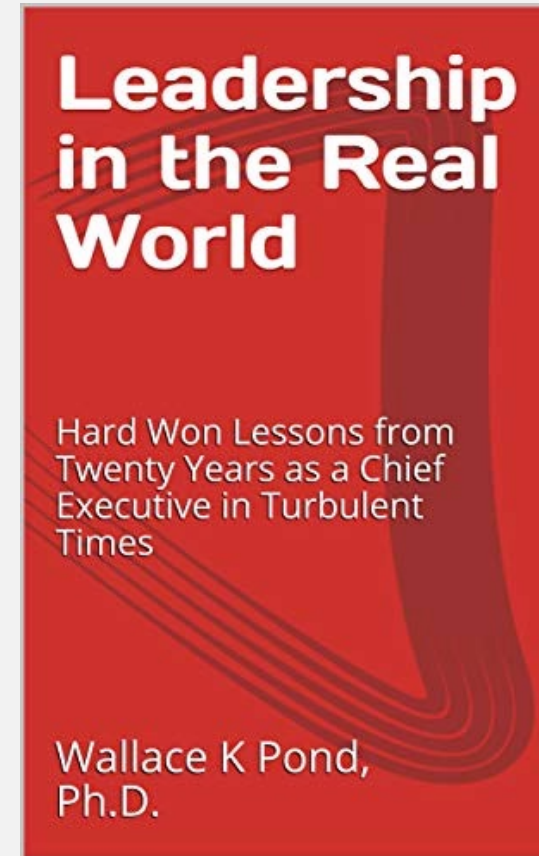
# Implications of a New Leadership Model

- “New Professionalism” (Kit Krugman)
- “Unusual” workplace interactions
- More emotional fidelity
- Higher expectations for empathy, compassion, etc.
- More confident sharing and creativity
- Less hierarchy
- Less control
- More shared achievement

Leaders do not have to be experts in wellness, mental health, organizational dynamics, etc., but need to support all of those things!

# Resources

- *Dare to Lead*, Brené Brown, Ph.D.
- *Leadership in the Real World*, Wallace K. Pond, Ph.D.
- *Humble Leadership: The Power of Relationships, Openness, and Trust*, Edgar H. Schein and Peter A. Schein



# Transformation

# Definition – Transformational Change

Transformational change is a *radical departure* from the status quo in an organization, leading to foundational changes in the *nature* of the entity. This can be cultural, structural, behavioral, the business model and market, product strategy and even the organization's mission and purpose.

Unlike transactional or incremental change, transformational change requires a deeper focus on culture, mission, and motivation, and often goes to the core of why people are in the organization to begin with.

“

The secret of change is to focus all of your energy, not on fighting for the old, but on building the new.

”

**The Way of the Peaceful Warrior, Dan Millman**



# How We Must Think About the Market

“For too long, colleges — public and private, liberal arts and research-driven, rural and urban — have operated as if they’re solely in the higher-education business rather than in the broader postsecondary-education sector.”

**Bill Conley**, Director of Admissions, Bucknell University

## The next normal must include:

- Striking a balance between mission and market
- Skills development *and* human development
- Creating and delivering a **product strategy** that goes far beyond credit-bearing, degree granting programs



# The Opportunity

- Although the higher education market is shrinking, the *post-secondary* market is growing. In fact, four of the six main components of the post-secondary ecosystem are expanding and the fifth, government, will likely begin to grow again post-pandemic, particularly via workforce development and professional development for public employees.
- For most IHEs, growth will come from expansion into non-credit, non-degree program areas. This will likely include industry partnerships and other B2B opportunities, combined credentials (degrees and certificates), and post-graduate re-training and upskilling programs.
- Most institutions will have to move beyond the “one and done” model to an ongoing, post graduate relationship that provides value-added reasons for alumni to stay connected (and to continue consuming education).

Ecosystem Elements and Definitions		
Higher Education	↓	Credit bearing, degree-granting
Industry	↑	Internal entry level and on the job training
B2Industry	↑	Contracted job training
B2Student	↑	Boot camps, certificate programs
Auto-Didactic Learning	↑	Student self-taught learning
Government Training	↓	Workforce development, skills training

# Requirements for Transformation

- Recognition of the need for transformation (and correctly framing the challenge)\*
- A willingness to change by a critical mass of stakeholders (Willing  $\neq$  Able)
- **A culture that supports reinvention**
- **100% commitment by leadership**
- Process/procedures/systems to drive and support change
- A clearly defined set of problems that will be solved or goals achieved through transformative change
- Adequate resources
- Stamina to stay the course

\*Threat provides adrenaline. Opportunity generates creativity.

Every organization has:

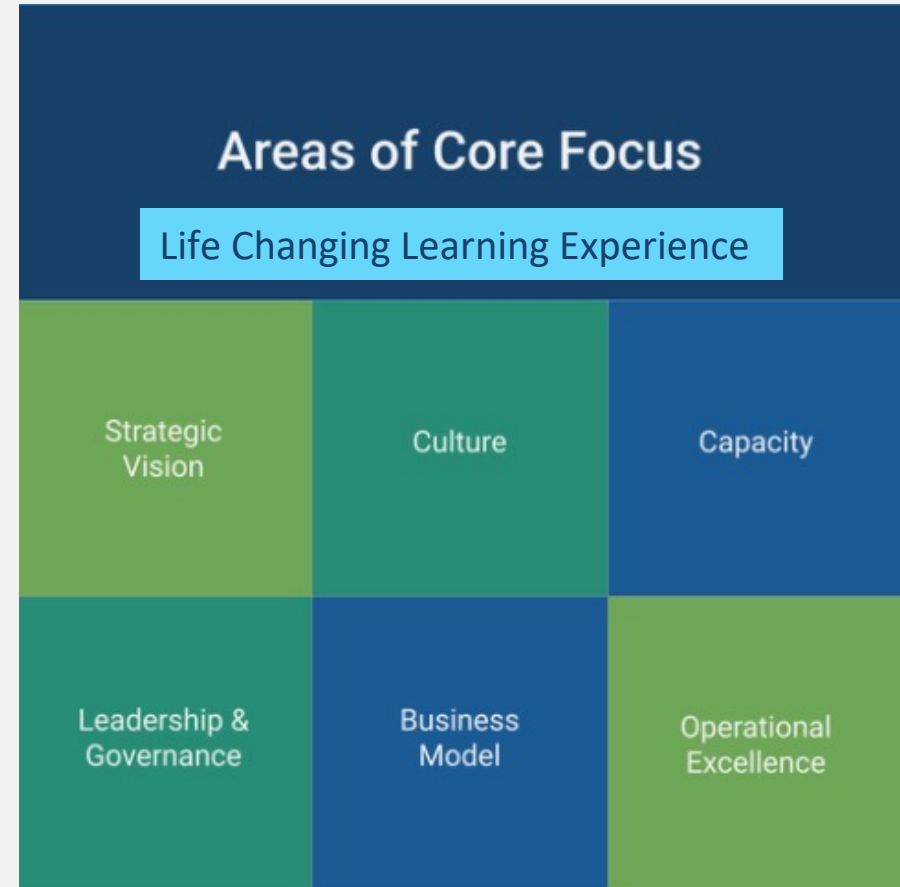
- its own level of reluctance
- its own internal reasons for embracing or fearing change
- its own organizational psychology and culture

The approach to managing change is, therefore, somewhat unique in every case.



# The Model – Where We Start

- The Transformation Collaborative’s practice is based on driving transformation/reinvention with a holistic, “embedded,” and long-term partnership.
- We approach foundational change with a comprehensive, integrated view of the institution, supporting sustainable transformation with compelling strategy, aligned culture, capacity building, value proposition & market differentiation, a robust business model, and best practice operations.



# The Process

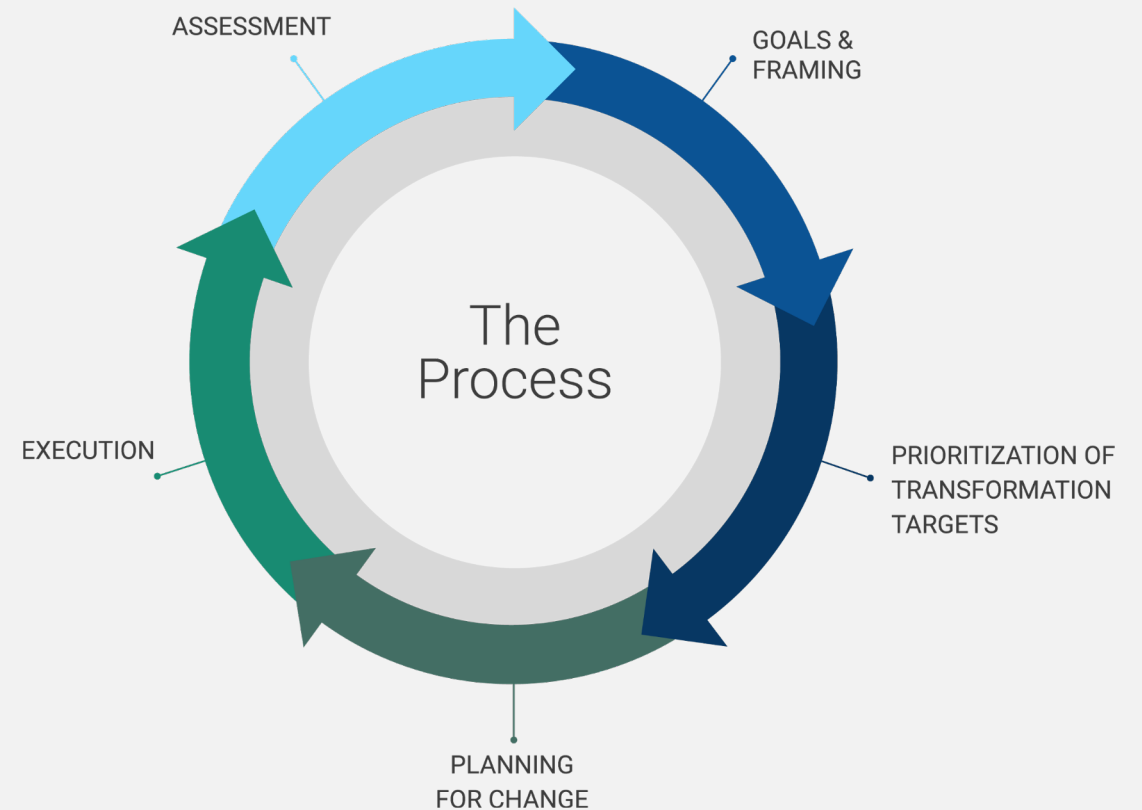
ANALYSIS

PLAN FOR CHANGE

IMPLEMENTATION

FOLLOW UP

- Risk analysis and benchmarking using a proprietary model
- Development of transformational change plan based on research and best-practice
  - Life changing educational experience
  - Support of operational excellence
- Execution of the change plan, capacity building, and operational improvements



## The North Star

“In this new environment, higher-ed institutions that are less in love with tradition and more in love with their students will be the ones that thrive.”

**Michael Sorrell**, President, Paul Quinn College

# The Next Normal

Whatever the new normal looks like, it will not be the same.

Succeeding will require the ability to do many things differently than they've been done in the past—even if they've never been done in the past!

The single greatest variable for success will likely be quality of leadership.



# Summary

- The current state of the higher education market has rendered the operational model obsolete for a majority of traditional institutions.
- Most leaders today have not had the lived experience or development path necessary to effectively address the challenges they are facing.
- For most institutions, to thrive, and in some cases to even survive, they must engage in transformative change.
- Reinvention is possible, but requires leadership, culture, and capacity that is atypical in the academy.

We have to be prepared, not just to challenge the status quo, but to challenge the sacred.

# Contact Information



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