

HIGHER EDUCATION NEEDS A MORE POWERFUL, BLUE OCEAN STRATEGY®



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Higher education is an old, established system facing a fast-changing market space — not a good mix.

Not long ago at a conference where I was the keynote speaker, I heard a higher education leader from Google challenge the college presidents in attendance. He said: “What do we need you for when everything you need to know is on Google?”

He was right. Google U is a college’s biggest challenge today, not another university.

Case in point: If you look at classrooms from the years 1900, 1950 and today, you might be surprised, or dismayed, to see that they are all very much the same. Take a look:



While this antiquated educational system still hasn't changed much, the world outside is changing faster than ever before. What to do?

Higher education needs to re-think its entire approach

The first step in revamping America's educational system is to rethink the "job" these institutions are supposed to be performing, and for whom.

To do that, [anthropologists](#) suggest that colleges need to look beyond themselves and their campuses. Their strategies were designed for another time when society was moving much more slowly, and the education you received prepared you for existing jobs in the marketplace and the lifestyle you were going to pursue.

Today, massive changes taking place in our culture, our students, their employers, their families and their goals require a new strategy. At [SAMC](#), we strongly recommend that higher education institutions consider a [Blue Ocean Strategy](#)®.

The Blue Ocean Strategic approach is already successfully [helping corporate enterprises](#) implement change in the business world, and it would certainly bring a new perspective to those in power leading higher education. As we work with our clients in higher education, we see the power of an "aha" moment when they realize that their way forward is literally all around them. They just need a new strategy to capture it.

To understand what a new strategy could achieve for the entire higher educational system, let's look first at the current challenges that higher education is facing and how a [Blue Ocean Strategy](#) might help address them.

Problem #1: Higher Education institutions are not adapting to changing times

Technology has always been one of the most powerful driving forces transforming society. Today's pace of technological change is just pushing us faster and faster to rethink

everything we do today. It is impacting how we communicate, socialize, even the way we do business. New developments — such as the Internet of Things (IoT), [blockchain technology](#), AI and machine learning — are re-shaping human behavior, customers, employees and leadership.

However, while higher education institutions know that they need to prepare their students for a fast-changing technological world, they have only scratched the surface to adapt their own teaching methods and expand their scope of educational services.

What is desperately needed is a new alignment between universities' organizational culture, the needs of business and society, and the processes for delivering education. Colleges need to accept their role in this great transformation and harness the power of technology to apply it to their educational practices. Furthermore, they need to integrate this new culture and new processes with an operational framework in which a new system can function.

Problem #2: Split from the job market

Another critical issue for higher education is its misalignment with the current job market. When it comes to how universities prepare their students for the real world, a large percentage of them continue to be out of touch with the realities of the industries hiring their graduates.

Collaborating with business is a very good way to improve an institution's curriculum and open its eyes to the necessity of teaching students the required skills — both the hard skills and the soft skills — they will need to get hired and stay employed. Not providing this to students is a blatant disregard for their future.

Many colleges and universities would do well to take notes from the relationship between computer science and the IT industry. This academia-workplace synergy teaches students the skills they'll need out in the marketplace while molding their mindsets around absolute work requirements. It's also what makes IT professionals with a college degree some of [the most sought-after talents](#) on the market.

Indeed, if academic institutions are to achieve goals similar to these across all departments, not just computer science, and make good on their promise to students to “prepare them for the future,” they need to create a shared value system with industry. Only then will higher education truly benefit its students.

Problem #3: Disconnect with students

The current gap between students and higher education means that institutions are losing their student body. [Statistics](#) reveal that enrollment in undergraduate studies in the U.S. is at its lowest point in a decade. Combine this with an increasing rate of college dropouts (according to [a recent report by The Washington Post](#)), and it's clear how big the problem has become.

The long-held belief that going to college and getting a degree guarantees you a job in your field of study is no longer true. Students who don't relate to the typical university curriculum are instead choosing certification courses, free online programs or other formal and informal channels.

These options are much more cost-effective since they require far fewer resources than a traditional post-secondary education. As of now, [an average student has to spend](#) over \$19,000 for a degree at a public university, and over \$39,000 at a private institution.

The result? High tuition, an insecure future and a disconnected system all make the pursuit of a college degree an unappealing path for many.

However, there might still be an available solution for higher education...that is, if higher education institutions turn to a new strategy, a Blue Ocean Strategy, to change their focus and how they add value in innovative ways.

How can Blue Ocean Strategy help academia?

To understand how Blue Ocean Strategy can help education change for the better, you first need to understand the theory, methods and tools of this innovative approach to establishing market leadership, developed by Professors [Chan Kim and Renée Mauborgne](#) and described in their award-winning book, "[Blue Ocean Strategy](#)." They coined the term "Blue Ocean" to explain the principle of creating an uncontested marketplace in which to succeed in the corporate environment. What makes Blue Ocean Strategy so different is that it's not about disruption — it's all about creation.

The fundamental idea of Blue Ocean Strategy is for marketers (or in this case, universities) to overcome a competitor-driven, saturated market (red ocean) by moving to a new and uncontested market which is focused on adding more value to consumers at a lesser cost (blue ocean.)

The foundation of the approach is based on how our brains hate to change. It's often said that we don't see things as they are, we see things as we think they are. Therefore, to begin to open your mind to a blue ocean, you need to:

1. **First, use the tools of the Blue Ocean strategic canvas to have a “Visual Awakening.”** When you do a strategic canvas, as we did with the ELKAY Manufacturing Company (described in this [Forbes.com article](#)), you realize that your current strategy is keeping you stuck in the same red ocean where all the competition is swimming. Conversely, creating a strategic canvas enables you to see things that you could do to add value in innovative ways, and by doing so, open a new unoccupied market space where you’re the first, the best and the only (at least until someone else comes along).
2. **Second, once you have your Visual Awakening, you need to go “Visually Exploring.”** To do that, you can find some tools [here](#). As [anthropologists](#), we just love this focus on going out to really “see” what people are doing and where they are facing challenges. Out of those consumer pain points come big ideas that can become your new market space, your blue ocean of opportunities.
3. **Third, as you and your team begin to pull together your abundance of ideas, see how they converge into different strategic options.** Post these ideas as alternative strategic canvases and discuss, debate and design the one that could really become the best new strategic opportunity for you and your business, organization, university or college.
4. **Finally, draw a lot of pictures to conceptualize the new “you” the organization is going to become.** This visualization is very important. Your brain needs to “see” what you imagine, not just hear the factoids you are promising. Your staff needs to see it as well if you and they are going to make it come together.

For example:

With the invention of Macintosh, Apple essentially flowed into a blue ocean and created an entirely new market for personal computers in an era dominated by IBM and business computing. Not only did this make Apple synonymous with IT, but it also wholly re-shaped people’s perception of computers and their use, thereby introducing them to a new and more extensive audience.

Translate this into higher education, and you get [Kevin Carey’s concept](#) of a “university of everywhere.” Carey says that by using technological advancements, universities will provide (in fact, are already offering) online education courses to meet the lifestyles of their students, considerably cutting the cost of higher education.

Penn State University already has an undergraduate online program for students in place. In comparison to the traditional 4-year costs, [online studies](#) are 48-50% lower for in-state students and 67-71% lower for out-of-state ones.

But, the application of Blue Ocean Strategy doesn't stop there. To increase graduation rates from 30% to 54%, [Georgia State University](#) turned to big data and predictive analytics to determine the factors that cause students to drop out. Acquiring this information allowed Georgia State to minimize the graduation gap and create programs that enabled at-risk students to earn a diploma and achieve their goals.

How did they do it? Interestingly, not by relying entirely on technology to solve their problems. Instead, they hired outside professionals to educate their university staff. Then, they created additional programs to help better prepare students for their academic requirements and future careers. In essence, they entered uncharted blue ocean territory and figured out new solutions, not the same old same old. And it worked!

[A similar project](#) is underway at Johnson C. Smith University, as well as at other universities around the world. And although there is still a long way to go, early signs suggest that Blue Ocean Strategy can help higher education crossover to the new millennium.

Blue Ocean Strategy in action

Here at [SAMC](#), one of our clients — a 2000-student liberal arts college with a strong emphasis on the sciences and agriculture — is just beginning to implement its new Blue Ocean Strategic direction. The administration has realized that three major trends could open up entirely new markets for them: the rise of urban farming, the need to retool agricultural workers as technology expands into agriculture, and the demand for their exceptionally well-trained science graduates in the biotech industries. As a result, they were just ranked among the top 10 American colleges for agricultural programs.

Their challenge is how to expand in a way that adds value with innovation and at a lower cost. They are asking themselves: What can they eliminate and reduce, while creating and adding new elements to their institutional system? The key is to focus on unmet needs and non-users, and in this way, open a new market space. This is the shift in mindset that makes Blue Ocean Strategies really work.

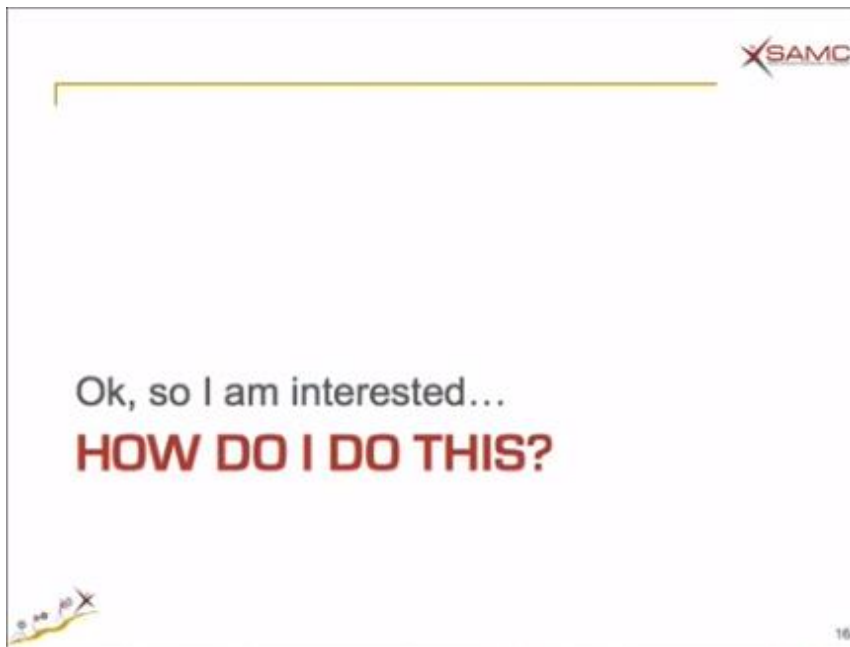
Can a Blue Ocean Strategy work for you and your organization?

By shifting their focus to innovative ways to change their structure and culture, today's universities can achieve their central goal: to better prepare students for the next chapter in their lives — their future careers. In our view, Blue Ocean Strategy is the best way to do this.

Want to know more?

Read all about this topic on [our blog](#) and in our book, "[On the Brink: A Fresh Lens to Take Your Business to New Heights.](#)"

We also invite you to check out our 2 instructive videos on Blue Ocean Strategy:



Perhaps we can help your business soar. Give us a call.

At [Simon Associates Management Consultants](#), we help organizations use Blue Ocean Strategy to adapt to change and then align new processes and cultures with their new strategy and goals. We invite you to [contact us](#) to brainstorm ideas on how we could work

together to create custom solutions to overcome the challenges your business or higher education institution is facing. If you already have something in mind, [contact us](#) about that too. We'd love to hear about it!

About the Authors



At [Simon Associates Management Consultants](#), we specialize in helping companies discover innovative ways to “see, feel and think” about their business. As [culture change experts](#) and trained practitioners in [Blue Ocean Strategy®](#), we teach organizations how to [adapt to change](#) by applying the tools, methods and principles of [corporate anthropology](#). [Contact us](#) to schedule a consultation to find out how we might help your organization drive change, overcome challenges and reach your potential for success.

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