

# **Design Concepts**

# **University of Minnesota-Crookston**

**Prepared for the University of Minnesota by:**

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## Preface: Transmittal Letter

1 July 2005

Robert H. Bruininks, President  
Robert Jones, Senior Vice President for System Administration  
University of Minnesota

Dear President Bruininks and Senior Vice President Jones:

The University has taken bold and historic steps in its initiative to define a new strategic vision for the University and its coordinate campuses. This University of Minnesota-Crookston (UMC) phase of the Strategic Positioning process offers an opportunity to better serve both the citizens of northwestern Minnesota and the state as a whole by laying the foundation for a constantly improving, high-quality regional institution that has the potential to deliver valuable service for years to come.

Essential to the success of both the immediate process and the long-term effectiveness of UMC will be committed leadership at all levels of the University and UMC.

We suggest two next steps. First, a University leader needs to be designated the *idea champion* for the changes taking place at UMC. The goal is to work with UMC as a resource to assist campus leaders in developing and delivering the best products possible, then work with the entire University system to execute the plan.

Second, a “flexible performance agreement” should be negotiated between UMC and the University. This agreement would specify the “deliverables” for which UMC will be held accountable in exchange for the flexibilities and support you provide to UMC to produce the outcomes specified.

As an organization founded to help public sector organizations deliver powerful results to their customers, The Public Strategies Group, Inc. thanks you for the opportunity to work on this important project that offers the potential for significant positive impacts on our home, Minnesota.

For The Public Strategies Group,

Rick Heydinger and Laurie Ohmann

## 1.0 Executive Summary

In December 2004, President Robert Bruininks asked Senior Vice President Robert Jones to work with the University of Minnesota-Crookston (UMC) to develop a new strategic vision. Both noted that, given the convergence of particular demographic, financial, and academic challenges, UMC will need to be more strategic about its future. They requested that a new strategic direction be developed that is academically and financially viable, consistent with the University's overall mission, and can demonstrate measurable progress within two years. The new vision had to assume no increase in state funds beyond inflation.

For support in crafting this new strategic direction, the University commissioned The Public Strategies Group, Inc. (PSG) to develop a series of design alternatives. A "design" is starting point, the first sketch of a strategic vision. It does not contain all the details necessary for a business or implementation plan.

The designs presented here are not specific proposals or recommendations. They are broad concepts intended to stimulate fresh thinking about UMC's role in northwestern Minnesota and how to re-position UMC to meet the needs of its customers more effectively, both now and in the future. The University will study the designs as part of the deliberation leading to its decision regarding the new strategic position for UMC.

In developing the three designs presented in this report, PSG used a broad range of resources, including:

- Analyses of trends affecting UMC and the region,
- Interviews with administrators, faculty, students, alumni, and local residents,
- Ideas developed in a *design lab* made up of professionals from throughout the U.S. offering a range of expertise related to higher education and the region, and
- Responses by stakeholders to a set of Preliminary Design Concepts presented by PSG in Crookston in May 2005.

### 1.1 Design Concepts

Each design concept is summarized below; the order in which the designs are presented is not intended to imply any priority.

#### **Sustainable Rural Vitality: A New Core Purpose**

In the first design, UMC becomes a center for instruction, research, and development of applied skills and technology for sustaining and renewing the economic, ecological, and political vitality of rural and small-town cultures. (Sustainability in this context means "meeting the needs of the present without compromising the ability of future generations to meet their own needs.")

UMC leverages its polytechnic tradition but begins moving more toward a senior-level *institute* structure, becoming not only a developer of skill sets but also increasingly a focal point for discussion and debate

and a repository for the best research and ideas around issues central to the long-term well-being of the region. Included within “rural vitality” are topics ranging from health care delivery to early childhood education, from the changing nature of production agriculture to the definition of community in sparsely populated areas.

In this design, UMC becomes increasingly an internationally visible institute with junior and senior level students; scholars and practitioners of rural sustainability work with and at UMC on projects. UMC hosts people of all ages who seek continuing education about the northern plains and especially the unique characteristics of the Red River Valley. UMC also might offer a wide variety of activities for youth, all focused on the questions, sciences, and politics of rural vitality.

Everyone that is “interacting” with UMC — students, faculty, staff, other learners, or visitors — are better prepared to engage the world on questions of rural vitality and sustainability.

With respect to funding, the proportion of UMC’s revenue coming from tuition and state appropriations would decrease while the proportion from projects, continuing education, summer programs, applied research, and business partnerships would increase. The expansion of these revenue streams would be one measure of success along with formal recognition for the leading role that UMC would play as a source and repository of intellectual capital for questions focused on rural vitality.

### **The Achievement Connection: A New Approach**

In the second design alternative, UMC becomes the primary broker of higher education resources — both its own and those of other providers — for students in the region seeking to move-up the educational ladder. It also reaches out to international students who see the unique characteristics of the Red River Valley, with its diverse mix of educational resources, as fitting their needs.

This design changes the nature of the relationship with students. The Achievement Connection becomes a broker for students, helping them put together a multi-program plan that meets their educational goals. Rather than having to choose among competing institutions, students have an “educational guide” to help them put together a degree tailored to their needs.

This design concept also leverages the complementary roles of UMC and the University of Minnesota-Morris by exploring the idea of an operational, marketing, and recruiting superstructure — the “University of Minnesota Northern Plains Institute.” This proposed entity would serve both institutions but, more important, offer the region a potentially powerful new higher education service model.

As a broker of resources, the Institute will think about the delivery of higher education resources in radically different ways. It will seek a combination of the best service, the best education, and the best price it can find for its students. Institute students will have a powerful partner in formulating their educational plan. The Institute would provide aggressive guidance and coaching to ensure that students remain successful as they migrate from one program to another.

Funding for this design would come both from students enrolled in brokered degree programs and in the form of payments from UMM and UMC for services provided to each campus. Success would be measured by the graduation rates for brokered degrees, the proportion of students who achieve their

educational goals, the satisfaction of customers on the UMM and UMC campuses, and an increase in the overall post-secondary educational attainment in the region.

### **Institute for Public Resource Managers: A New Customer**

In the third alternative, UMC becomes the principal provider of entry-level professionals and significant “in-house” training to government agencies focused on agriculture, natural resources, and environmental protection. In this design, selected government agencies are the core customer of UMC, with the students being trained for employment in these agencies.

Designed primarily to appeal to public sector agriculture, natural resource management, and environmental protection agencies, this strategic vision will attract students seeking the specialized training and experience needed to gain entry into these professional fields.

UMC becomes an “in-source” supplier for human resources departments within selected public agencies. In their academic work, students focus on these agencies through projects, internships, and cooperative learning experiences that prepare them to “hit the ground running” when they become full-time professionals in these agencies. The public agencies (e.g., departments of agriculture, natural resources, or local watershed districts) have more opportunity to evaluate students to get a better sense of their potential as fulltime employees.

In this design, UMC offers workshops, seminars, and conferences designed exclusively for the professional development of agency staff (offered at UMC or on-site depending on need and topic). UMC becomes a business-to-business provider of education and training.

The design envisions an innovative pricing structure, including the possibility of tuition free scholarships, to reflect this new customer focus and create incentives to support it.

Success for the design would be measured by the number of strategic alliances established with public agencies, their satisfaction with the alliances, and willingness to fund aspects of the partnership. The job performance of UMC graduates in these partner agencies would be another effective measure of success.

## **1.2 Potential Operating Characteristics**

In developing these designs, PSG also identified several “cross-cutting” operating characteristics that potentially can apply to any of the prospective designs:

- Ability to leverage technology by taking advantage of UMC’s “Laptop U” tradition and technological infrastructure,
- Alignment with UMM to share “backroom” operations or take advantage of synergies created by the complementary academic roles of the two institutions,
- Regional identity: turn a geographic disadvantage into an asset by building on UMC’s heritage in the region and orienting it to the north and west rather than the south and east,
- Calendar orientation: enhance UMC’s competitive position by making more advantageous use of campus facilities during the warm weather seasons,

- Strategic alliances with secondary and post-secondary schools in the region (as suppliers or customers), conservation groups, agricultural groups, businesses, governmental institutions, Native American groups, and others, and
- International outreach to establish new alliances, enrich programs, and enhance recruiting.

Although not mission-defining, these operating characteristics, if strategically added to a design, can be powerful levers for achieving long-term UMC success. Some of these operating characteristics (e.g., alignment with UMM, strategic alliances) were folded into the three designs presented here.

### 1.3 Looking Ahead

To launch UMC's strategic positioning process, President Bruininks said: "Although there are no predetermined outcomes, one thing is clear: The need for change and improvement is urgent [for UMC]."

PSG agrees. Demographic changes, increased competition for higher education resources, and a financial structure that makes UMC more costly than its peers together point to the need for a new or significantly revised strategic vision.

The three designs presented here, along with the additional leverage of the cross-cutting characteristics, are a starting point for developing UMC's strategic position. The purpose of this report is to provoke reflection, discussion, and action.

For action to be effective, it must be accompanied by a sharpened sense of mission, a reallocation plan that will free-up resources to fund necessary initiatives, a "dashboard" of well-defined of outcomes that can be reviewed regularly, and a commitment by the entire campus to contribute to these outcomes.

UMC has had a bright past. With the right approach, it can have an even brighter future!

## 2.0 Introduction/Background

As part of the process to develop a new strategic vision for the University of Minnesota-Crookston (UMC), the University of Minnesota commissioned the independent consulting firm The Public Strategies Group, Inc. (PSG) to develop a set of design alternatives. This report summarizes the results of PSG's work: three designs that can be used as a starting point for further discussion, evaluation, and decision-making.

The designs presented here are not specific proposals or recommendations. They are broad concepts intended to stimulate fresh thinking about UMC's role in northwestern Minnesota and how to re-position UMC to meet the needs of its customers more effectively, both now and in the future. To illuminate key issues, the designs draw contrasts regarding the customers UMC might target and how it might adapt its mission and operations to attract and serve those customers. The use of contrasting ideas is intended to sharpen and clarify the debate in ways that can help decision-makers move toward consensus; it is not anticipated that any one design option would be adopted without additional analysis and modification, including the likely integration of desirable elements from other designs.

### 2.1 University of Minnesota Strategic Positioning

In 2004 the University of Minnesota launched a strategic positioning process that produced, in January 2005, the Strategic Positioning Report *University of Minnesota: Advancing the Public Good*. Approved by the Board of Regents in March 2005, the strategic positioning report defines a new goal for the University of Minnesota: to become, within the next decade, one of the top three research universities in the world.

The strategic positioning process is a system-wide initiative, with each coordinate campus undertaking its own positioning process to define comparative advantages consistent with criteria established by the University. In its Executive Summary the Strategic Positioning Report sets the tone for these concurrent processes by noting:

Our foremost priority must be to advance academic quality, and to do so during constrained financial times. The key will be to manage change strategically and to continuously improve. We may need to modify programs and relationships to expand academic synergies and reduce operating costs. We may need to eliminate programs and services that are less essential to our core mission or where we do not enjoy a distinct quality, competitive and comparative advantage. We may need to add or expand programs where the promise and potential are high. A great university must renew itself and seize opportunities. A great university must balance depth and breadth. Choices and tradeoffs will be necessary.

In April 2005, the University issued the background report *University of Minnesota at Crookston: An Analysis of Current Trends*, which identifies key issues facing UMC. This analysis served as valuable background for this report and subsequently has served as a primary reference point in the development of PSG's design concepts.

PSG has taken into account the University's strategic positioning process and how it affects UMC's role within the context of the university system as a whole. However, the primary focus of PSG's work has

been the development of design concepts that help UMC define its own compelling strategic vision within the region and the higher education marketplace.

## **2.2 Design Parameters**

Effective design work requires agreement on design parameters. Designers and those involved in reviewing the designs should agree on the boundaries, assumptions, and constraints that will come into play as the final decision is made regarding which design to implement. The University has established the following parameters governing the strategic positioning process for UMC.

### **Remain Consistent with the University of Minnesota Mission**

The mission and associated activities proposed for UMC's assets must be consistent with the University's mission and, where relevant, with the University's March 2005 Strategic Positioning and Academic Task Force reports.

### **Assume No Increase in State Funding**

UMC must assume that the current level of state support will, at a maximum, not increase beyond inflation, and may remain at current levels or even decrease over time.

The University's allocation of state support to UMC will be based upon reasonable standards for comparable institutions and be determined through the planning and budget processes of the University. UMC will be expected to participate in annual system-wide budget adjustments and reallocations and assume a portion (to be determined) of the costs of all future capital projects.

### **Become More Responsible for Its Own Funding**

UMC must develop a new budget and academic program model that assumes greater responsibility for more of its costs. Any new model for UMC, which may include new areas of responsibility or direction, must demonstrate a balanced budget.

### **Build on Resources in the Region**

UMC's future vision must take into account other educational, rural and economic development, and related resources in the region (such as high schools, other higher education institutions, and AURI) and, where possible, forge partnerships with them.

### **Define Measurable Results to Gauge Progress**

UMC must present a set of clear, specific, detailed accountability measures by which UMC's success can be judged. These accountability measures should include rationalizing an effective and efficient administrative structure and should also consider a reduction in operating costs. These measures must yield feedback on progress at least annually.

## 2.3 Background: University of Minnesota-Crookston

The University of Minnesota-Crookston (UMC) is the product of two significant transformations: first, its establishment as an institution of higher learning in 1965 and, second, its expansion in 1993 from a two-year school to a provider of primarily four-year degree programs. (UMC currently offers 22 four-year degrees and six two-year degrees.) UMC's long history and the vestiges of its earlier missions continue to influence both its operations and the way it is perceived in the region. These factors are certain to remain in play as the current strategic positioning process unfolds.

### History & Current Positioning

In 1965 the Northwest School of Agriculture (NWSA), a regional residential high school established in 1905, became the University of Minnesota Technical Institute (UMTI), a college-level institution offering two-year degree and certification programs. In 1969 UMTI was renamed the University of Minnesota Technical College and in 1988 became the University of Minnesota-Crookston.

Concurrent with its transformation into a four-year institution in 1993, UMC positioned itself as the nation's first "Laptop U" by providing every full-time student with a laptop computer, software, and support. After more than a decade, "Laptop U" remains prominent in UMC's positioning as a technology-oriented campus. With the recent addition of its Bachelor of Applied Health degree, UMC became the first institution in the University system to offer an online degree.

In 2004 UMC reorganized its academic structure into five departmental units:

- Agriculture
- Arts, Humanities, and Social Sciences
- Business
- Math, Science, and Technology
- Natural Resources

In keeping with the regional focus underlying its history and traditions, UMC's current mission is defined in the Strategic Positioning Report as follows:

The University of Minnesota Crookston seeks to become Northwestern Minnesota's preferred provider of high-value, polytechnic undergraduate education that prepares diverse and deserving learners for rewarding careers and better lives.

UMC strives to enhance the well-being of the region by offering outcome-oriented, teaching-focused, polytechnic professional programs that prepare graduates for career success and for community leadership in a multi-racial and multicultural world; deploy innovative technology-based formats and delivery systems so all ambitious and intellectually curious students can acquire a University of Minnesota education; generate and preserve knowledge, understanding, and creativity by conducting high quality applied research and scholarly work with an emphasis on the needs of Northwestern Minnesota, but with potential application across the state, nation, and world; and extend, exchange, and apply knowledge that enriches society and solves problems.

UMC's positioning as the state's only four-year *polytechnic* institution generated considerable discussion during the information gathering and design development process. While the term *polytechnic* reflects UMC's tradition, specific interpretations vary considerably within the University community. The term carried either limited or varied meanings for participants in the PSG design lab, which suggests that it

may have lost its usefulness in positioning UMC within the higher education marketplace. Similarly, UMC's position as "Laptop U," although a cutting edge concept in 1993, has lost its distinctiveness in today's marketplace.

## Competitive Analysis

As revealed in the *Analysis of Current Trends*, the challenges UMC faces derive largely from the combination of a shrinking market and a business model that will be difficult to sustain. Minnesota, North Dakota, and South Dakota all will experience a significant decline in high school graduates during the next decade, a problem that is especially acute in northwestern Minnesota. The Red River Valley has experienced an overall population loss since 1990, coupled with a proportional decline in the school- and working-age populations.

A smaller, older regional population is problematic for UMC as it is currently positioned, insofar as it focuses primarily on attracting "traditional" students (under age 25) and depends on northwestern Minnesota for 40 percent of its student supply. Because an additional 28 percent of UMC's students are from other parts of Minnesota — 11 percent from the Twin Cities metropolitan area and 17 percent from other counties — UMC will find itself competing more intensively against other institutions in the Minnesota higher education system to maintain its share of the shrinking high school graduate market. Exacerbating the problem for UMC is the projected 26 percent decline in the number of high school graduates in North Dakota, which accounts for 15 percent of the UMC student supply.

Compared to the competitive environment in which other University of Minnesota coordinate campuses operate, UMC is at a disadvantage, facing strong competition from four nearby four-year public institutions that enroll a total of almost 40,000 students:

Four-Year Public Institutions	Location	Proximity	Enrollment	Degree
University of North Dakota	Grand Forks, ND	30 Miles	13,000	Doctoral
Minnesota State University-Moorhead	Moorhead, MN	70 Miles	9,000	Master's
North Dakota State University	Fargo, ND	90 Miles	11,000	Doctoral
Bemidji State University	Bemidji, MN	90 Miles	6,400	Master's
University of Minnesota-Crookston	Crookston, MN	N/A	2,100	Baccalaureate

Other smaller two- and four-year institutions in the region (e.g., Mayville State, ND) also offer competing enrollment options for students. Simply put, there is an extremely rich set of higher education options in the Red River Valley.

With a total enrollment of less than 2,100 (including less than 1,200 full-time students), UMC does not enjoy the economies of scale of many of the other four-year public institutions in the region. Financial support for UMC, in terms of additional positions, has steadily increased in recent years, during a period in which support throughout the University system as a whole has remained flat or decreased. Tuition at UMC, which charges the same rates for in-state and out-of-state students, is the highest among its

competitors in the region. UMC students receive more state support than do students at almost all its peer institutions across the country.

An area where UMC does enjoy a competitive advantage is brand equity. The ability to earn a University of Minnesota degree in a small-town setting close to home appeals strongly to some students and families. The University of Minnesota brand also provides leverage in recruiting out-of-state students for UMC's athletic programs. In addition to leveraging its "Laptop U" image, UMC emphasizes the benefits of its small size, including the familiarity and friendliness of its campus, its emphasis on teaching, and the personal attention students receive from instructors. Prospective students who visit UMC are likely to enroll there.

Undoubtedly, many students also are attracted to particular programs where UMC may hold an edge over regional competitors, such as Natural Resources, Business Management, and Equine Industries Management. And the proximity of the Northwest Research and Outreach Center, the University of Minnesota Extension Service Regional Center, the Northwest Partnership for Sustainable Development, and the Valley Technology Park business incubator also play a role in leveraging UMC's position as a "preferred provider of high-value, polytechnic undergraduate education" in the region.

However, strong doubt exists regarding the sustainability of the UMC business model. UMC is positioned as a premium brand — reflected in its high operational costs, high tuition, and relatively high faculty salaries — in a region where growth in personal income lags behind the rest of the state. Although UMC's attractive campus and advanced technological infrastructure support its position as a premium brand, maintaining and upgrading these facilities will require significant investments. The University of Minnesota's mandate to hold down costs and make coordinate campuses more responsible for their own funding may ultimately require UMC to bear a significant share of these costs, which in turn may drive the price of a UMC education beyond the means of its current student market. With so many other options available in the region, UMC may run the risk of "pricing itself out of the market."

Data regarding UMC's ability to attract, retain, and graduate upper division students point to an inability to sustain the premium brand equity it enjoys as a University of Minnesota coordinate campus. UMC ranks last, by significant margins, among other campuses in the University of Minnesota system in regard to class rank and ACT scores of entering students, student retention, and graduation rates. Among its competitors in the region, UMC generally ranks in the middle of the pack and enrolls more part-time and non-degree students than its competitors, characteristics not consistent with the strategic position of the University of Minnesota.

A steady decline in admission applications, particularly since 2001 (when UMC changed from open enrollment to a traditional admissions policy), underscores the erosion of UMC's current positioning. The data above suggest that, compared with other University of Minnesota campuses, UMC is not a destination for high-achieving students. While some upper division students in the region continue to select UMC because of proximity, small-town security, and the University of Minnesota brand, in an increasingly competitive and expensive higher education environment more students will seek to maximize value. Why pay a premium to attend UMC when the U of M Twin Cities campus, the University of North Dakota, and other comparable universities outside the region offer greater opportunities for a similar price?

While UMC's brand equity and programs will continue to attract many lower-division students in the region, increasing costs/tuition will tend to drive many of these students to larger, less expensive competitor schools that enjoy economies of scale that allow them to operate more efficiently. The price gap between UMC and its regional competitors is likely to widen. Will lower-division students and their families (in a region already experiencing declines in personal income) pay more for the UMC experience?

UMC joined the University of Minnesota system in the late 1960s, when economic prosperity and the educational needs of the Baby Boom generation combined to fuel the greatest expansion of higher education in U.S. history. With its heritage as an agricultural and technical school, UMC undoubtedly appealed strongly to students and families in the region who were hungry for a University of Minnesota education (albeit two-year) in a regional context. In the 1990s UMC was able to reposition itself again to meet the region's needs by expanding its mission to become a provider of four-year degree programs and adopting the "Laptop U" positioning so relevant to the emerging Information Age.

Today, UMC faces the challenge of reinventing itself again, this time to meet the educational needs of the sons and daughters of Baby Boomers. Like many of their parents, these prospective students have fewer reservations about looking beyond Crookston or leaving the region entirely to secure an educational experience that best meets their needs in terms of both quality and value. In this competitive, market-driven context, UMC cannot afford to position itself in general terms or revert to nostalgic interpretations of its role. To be effective and sustainable in the long term, its strategic vision and positioning must be well-defined, highly-focused, and relevant to its customers in ways that differentiate it in the higher education marketplace.

UMC enjoys one key advantage not previously discussed: because of its long history and rich tradition as a provider of "hands-on" educational resources, it has access to a potentially extensive network of alumni and other stakeholders. These are potential allies who can help UMC reach "deeper" into the region to identify customer needs, build partnerships, develop strategies, and leverage UMC's brand equity (through its connection to the University of Minnesota). In turn, this may help attract intellectual capital needed to stimulate the region and, in time, expand UMC's customer base. As noted in the *Analysis of Current Trends*,

It is important in analyzing the future for UMC as a U of M resource to understand that UMC operates within a network of neighboring states, institutions, and other resources. There may also be opportunities for UMC to provide additional leadership in PK-12 education (e.g., "College in the High School") especially as it relates to the needs of rural schools....  
[R]ural and economic development and creating new partnerships to foster development represent critical challenges — and present important opportunities.

The demographic and financial trends discussed above point to a need for UMC to define its market in new ways. Whether that means "thinking globally and acting locally" or "thinking locally and acting globally" — or something in between — remains to be seen. In any case, UMC's challenge is to use the resources at its disposal to define a more sustainable base of core customers, assess their needs and problems, and devise a strategy to solve those problems in ways consistent with the broader vision of the University of Minnesota.

## 2.4 Design Process

PSG developed the design concepts using a broad range of resources, including:

- Analyses of trends affecting UMC and the region (as documented in part by the April 2005 background report prepared by the University of Minnesota),
- Interviews and focus groups with University administrators, faculty, students, alumni, and Crookston residents,
- Ideas developed using a two-day design lab made up of professionals from throughout the U.S. offering a range of expertise related to higher education and the region, and
- Responses by stakeholders (including faculty, students, alumni, and other citizens) to a set of Preliminary Design Concepts presented in Crookston on 24 May 2005.

## 3.0 Potential Operating Characteristics

In the course of the information gathering and design process, PSG identified several operating characteristics that can be powerful levers in defining the new strategic vision for UMC. PSG regards these as “cross-cutting” characteristics; that is, they potentially can apply to any of the prospective designs, although individual characteristics may be more compatible with some designs than others.

### 3.1 Ability to Leverage Technology

As the original “Laptop U” — providing a laptop computer for every student — UMC established a distinctive and compelling position in the higher education market in the 1990s. Computing capability, network access, and the emerging Internet gave students access to cutting edge information and communication capabilities not otherwise available, even on many urban campuses.

Technology remains an important feature of the UMC identity. However, with laptop computers now a ubiquitous presence and network/Internet access standard on almost every campus, the appeal of the “Laptop U” positioning, at the very least, has lost strength and, at worst, may be perceived as anachronistic in a more connected world where computers, networking, mobile phones, and related technologies are common features of the communication infrastructure.

Nevertheless, UMC’s investment in technology infrastructure, its polytechnic tradition, and “Laptop U” experience may create opportunities to leverage UMC’s technological capabilities in new and exciting ways. Careful consideration should be given to both how technology is integrated into UMC’s strategic vision and programs and, perhaps more important, how UMC’s technological capabilities can be positioned and communicated as benefits for existing and prospective customers.

The potential for leveraging UMC’s technological capabilities is multi-dimensional. UMC can emphasize technological skills as an outcome, for example, by ensuring all students achieve advanced computer proficiency or by equipping students with ready-to-use skill sets for their particular career areas. Operationally, UMC can further expand the role of technology in course delivery, promote use of the Web as a learning tool, develop online courses to increase enrollment, or use technology to bring programs from other institutions into the UMC academic experience.

It should be noted that, insofar as the University of Minnesota has not pursued online learning to the extent that many other university systems have, an opportunity exists for UMC to fill that void, perhaps by building, franchising, or brokering alliances to deliver these services.

### 3.2 Alignment with University of Minnesota-Morris

An opportunity exists to better align UMC, both operationally and programmatically, with the University of Minnesota-Morris. The two campuses are far enough apart to maintain distinctive identities, yet close enough to share resources in ways that could improve customer service, enhance operating efficiencies, or lower costs for both institutions by combining recruiting, procurement, and business offices.

Insofar as UMC operates from a polytechnic tradition while UMM operates from a liberal arts tradition, the potential exists for the two universities to leverage their complementary roles in ways that create new benefits and opportunities for students. For example, to supplement the academic capabilities of both schools and perhaps encourage more interdisciplinary study, UMC students could access Humanities programs at UMM while UMM students access UMC's technical programs. UMC might take better advantage of UMM's dedicated support for Native American students, and other opportunities may exist to share staff and equipment.

Effective cooperation could even provide for the launch of new programs or other enterprises jointly owned and operated by the two universities.

### **3.3 Regional Identity**

Quality of life, like beauty, is in the eye of the beholder. For a casual observer or visitor from outside northwestern Minnesota, it is easy to perceive the "remote" rural/small-town setting, seemingly nondescript geographical characteristics, and severe climate of UMC's locale as potentially fatal disadvantages in the competition to attract students. However, from a different perspective, these apparent disadvantages are offset by an equally compelling set of advantages deriving from the region's distinctive qualities and UMC's unique history and role within it.

Whatever strategic vision UMC pursues, the ability to leverage and better communicate the benefits of its regional identity will be key to its long-term survival and success. Viewed in the context of political boundaries — particularly from a Twin Cities-centric perspective — UMC appears remote from the rest of Minnesota. However, viewed in the context of geography, economics, and culture, UMC operates in the heart of the Red River Valley and larger Glacial Lake Agassiz basin, which, in addition to northwestern Minnesota, embraces equally large portions of North Dakota, Manitoba, and Ontario.

Instead of defining its identity according to political boundaries, UMC can build its identity around the Lake Agassiz ecosystem, reflecting the region's shared ecological, economic, and cultural characteristics and interests. Orienting itself to the north and west, rather than the south and east, may offer UMC greater potential to reach out to new audiences and take better advantage of its tradition as a polytechnic institution serving needs related to agriculture, natural resources management, forestry, tourism, and other aspects of the economic and cultural life of the region.

### **3.4 Calendar Orientation**

As a corollary to the need for UMC to better leverage its regional identity, opportunity may also exist for UMC to enhance its competitive position by re-orienting its academic calendar to make more advantageous use of campus facilities and the seasons.

The fall-winter-spring academic calendar of UMC, like most educational institutions in the U.S., derives from the agricultural cycle. As a result, UMC must overcome the barrier of attracting and retaining students on campus during the harsh northwestern Minnesota winters when travel is difficult and local cultural opportunities are limited. Conversely, the UMC campus is under-utilized during late spring and summer, when the weather is pleasant and the campus might serve as a highly desirable destination for

visitors interested in regional studies, research, recreation, or other programs that take advantage of the region's unique character.

UMC might strengthen its agricultural- and natural resource-oriented programs to emphasize summer as the "season of growing," consider operating year-round or cutting back during winter months, and/or develop complementary relationships with institutions in the Southern Hemisphere.

### **3.5 Strategic Alliances**

Whatever its strategic vision, UMC can fulfill its mission more effectively by forging stronger strategic alliances. These alliances could potentially include secondary and post-secondary schools in the region (as suppliers or customers), conservation groups, agricultural groups, businesses, governmental institutions, Native American groups, and others. What is critical here is making choices about which alliances to pursue, based on their alignment with the mission and future vision of UMC.

Well-conceived, well-maintained alliances will help UMC better define and focus on its mission, craft program offerings to meet regional needs more effectively, enhance its positioning within the region, improve its recruiting capabilities, and take advantage of potential synergies to improve operations or deliver more benefits to customers.

### **3.6 International Outreach**

Most institutions face the challenge of determining how to tap into the international currents of higher education in meaningful ways. Notwithstanding its traditional role as a polytechnic institution focused on serving the needs of its region, UMC has an opportunity to reach out internationally to establish new alliances, enrich its programs, and enhance recruiting.

UMC might consider establishing partnerships in other regions of the world facing similar or complementary issues, or targeting part of its recruiting effort to prospective students or regions currently underserved by the higher education community. As a cautionary note, because of the potential drain on resources and other risks associated with international outreach, UMC needs to be intentional and well-focused in its approach.

### **3.7 Operating Characteristics: Conclusion**

The above characteristics are not mission-defining. By themselves they will not sustain an academic program. Yet we cite them here because these characteristics are potentially powerful levers for achieving long-term success. They reflect distinguishing operational features of UMC that, depending on how UMC's new strategic vision is defined, could be used to improve efficiencies, enhance academic programming, create new synergies, or strengthen UMC's positioning in the higher education marketplace.

## 4.0 Designs

The following design concepts offer contrasting visions of UMC's future. Each design concept includes the following:

- Concept: What's new about the design?
- Opening Narrative (Scenario): What sort of experience does the design create for core customers?
- Focus: What is UMC's strategic vision?
- Key Strategy/Metaphor: How does the new concept change the status quo?
- Customers: Who is the core customer?
- Outcomes: What are some key outcomes?
- Operations: What are some distinguishing operating characteristics?
- Funding: What financial structures can be employed to help support the concept?
- Measures of Success: How do we measure progress?

As noted earlier, these prospective designs are intended to be fluid and adaptable to help decision-makers begin charting a course toward a more specific, well-defined vision. As consensus develops around a particular design direction, desirable aspects of several designs may be incorporated into a more refined vision.

## 4.1 Sustainable Rural Vitality

- Center for Conservation and Renewal of Rural Life
- Economic and Ecological Sustainability
- Sustainable Production and Consumption for Rural Societies

### Concept: A New Core Purpose

The alarm rings and Jason groans. Way too early. But after a yawn and a stretch he stumbles to the bathroom and then to the kitchen for coffee. His first class isn't until mid-morning, but he's got plenty to do before then. Jason sets his cup down on his desk and flips open his laptop to check emails that arrived overnight. Nadia, a Russian student involved in an online course Jason is taking, has forwarded him a link to an article from her local newspaper about research developments regarding bio-diesel production using agricultural bi-products. Closer to home, Jason's Sociology professor has emailed more details about an upcoming visit with elders from the White Earth Band of Ojibwa.

Jason grew up in a small farming community in central Illinois. He did well in school and cultivated a wide range of interests, including an awareness of the economic and environmental factors affecting his neighbors in town and on surrounding farms. When senior year arrived and he announced he had decided to attend the University of Minnesota at Crookston, most of his friends couldn't believe it. "That's the middle of nowhere," his friend Doug said. "You could go anywhere you want. Isn't it, like, frozen year-round up there?"

Indeed, Jason could have had his pick of upper division universities, including the nearby University of Illinois. Even his guidance counselor had reservations about the decision, until she checked into UMC. Jason had done his homework well. UMC was one of the few campuses focused on the economic and ecological sustainability of rural and small-town cultures in northern climates.

As a center for research, instruction, and the development of applied skills and technology related to sustainable rural vitality, UMC was an ideal place for Jason to explore issues he had experienced firsthand in his hometown. Because of UMC's advanced Internet and other technological capabilities, Jason had access not only to UMC resources, but access to resources throughout the University of Minnesota system and the world.

Before closing his laptop and heading out the door, Jason double-checked his schedule. After classes he was scheduled to work for a couple hours at the Northwest Research and Outreach Center. He smiled as he recalled his own reservations about surviving northern Minnesota's harsh winters. It turned out UMC offered a year-round schedule that allowed students to organize their work around the summer months. "Won't need a jacket today," he thought, as he slipped his laptop into his pack and headed out the door into a shining June morning.

## UMC's Focus

Healthy rural communities and regions, long term! — UMC becomes a center for instruction, research, and development of applied skills and technology sustaining and renewing the economic, ecological, and political vitality of rural and small-town cultures.

Educational institutions and in particular universities can play a leadership role in framing the questions, facilitating the debate, and assisting locales in addressing their most vexing challenges. UMC would not promote any particular position, group, or ideology, but in effect becomes a consultant to the region, helping to:

- Attract expertise and intellectual capital that can be applied to address regional problems,
- Generate data and define criteria needed for rational decision-making,
- Broker the decision-making process by bringing together diverse perspectives and developing workable solutions,
- Find effective ways to implement decisions, and
- Educate professionals who understand the complexities of these issues and are ready to move into the workplace.

Under this strategic regime, UMC could leverage its polytechnic tradition but begin moving more toward an *institute* structure, becoming not only a developer of skill sets but also increasingly a focal point for discussion and debate and a repository for the best research and ideas around issues central to the long-term well-being of the region. UMC would play a role helping to preserve options dear to the region while facilitating the change required to support new options needed for advancement.

This design also provides opportunities for UMC to reach beyond its immediate locale by leveraging its technological capabilities to build intellectual networks of sustainability thinkers and using its geographical and cultural context to connect with and relate to other regions in North America and elsewhere in the world confronting similar sets of issues.

## Key Strategy/Metaphor

UMC will differentiate itself in the higher education marketplace through invention of a new product category: a school dedicated to sustainable rural vitality.

- Strategy: Introduce a powerful new branded product that appeals to select consumers by providing an integrated solution.
- Examples: Apple (iPod); University of Massachusetts Lowell Center for Sustainable Production.

## Customers

As an increasingly upper-division, internationally-visible institute, UMC will target:

- Students committed to sustainability — increasingly recruited worldwide,

- Scholars and practitioners of rural sustainability (a customer segment that will grow proportionally over time),
- Students, regional communities, business interests with commitments to ecological, economic, and political sustainability in rural regions,
- People of all ages who seek continuing education to satisfy their passion for a deepened understanding of place, especially the northern plains and the unique characteristics of the Red River Valley, and
- Youngsters who might attend summer camps or other activities at UMC focused on experiences and studies related to the special traits of the region.

## Outcomes

UMC will deliver to the region and the world:

- Graduates who have a deep understanding of the interconnected issues associated with ecological and economic sustainability, and who have practical experience and problem-solving skills to help reconcile conflicts arising around the friction between conservation, stewardship, and economic growth,
- Foundational knowledge and research dealing with the business and science behind sustaining rural communities, businesses, and cultural values,
- Campus-based demonstration projects related to food production, energy, horticulture, health care, economic development, manufacturing, etc., and
- Applied technologies to support emerging rural knowledge economies.

## Operations

UMC will become an exciting learning environment where people of various ages and backgrounds in different stages of their careers come together because of their interest in rural vitality and sustainability. Seminars, policy programs, conferences, and initiatives focused on rural vitality would all be part of the UMC environment. For example, on campus at any time could be advanced scholars whose duties might include research at the Experiment Station, instruction in undergraduate classes, and lectures at the weekend Elderhostel. At any one time there might be seminars for practitioners on both rural health care delivery systems and the use of biomass as a transportation fuel.

UMC will also become an excellent place to explore, research, and test products and services aimed at the markets and challenges of rural communities. This could be done formally using NROC and faculty expertise, and at UMC prototypes examining issues of sustainability could be used in everyday campus life. For example, people in the food service as well as the Hotel Management program might be working with industrial partners to prototype new “sustainable” approaches using the UMC dining facilities.

It’s possible that UMC and its partners might develop products and services that can be sold, all focused on issues of rural vitality and sustainability. For example, the Athena Institute for Sustainable Materials in Canada has developed an Environmental Impact Estimator used to assess the environmental consequences of materials going into a building.

Overall, UMC will focus on building a community with several aspects: some resembling a thematic higher education institute, some resembling a scholarly institute, and some resembling a testing institute — all organized around the focus of *sustainable rural vitality*. In so doing UMC would:

- Interpret all activities through the lens of sustainability,
- Expand the concept of sustainability beyond its narrow environmental focus,
- Dedicate itself to sustainability issues as they apply to smaller, rural communities,
- Become a year-round school to take advantage of all the seasons and better serve its diverse customer base, and
- Find regional levers for adaptation and change that offer potentially universal applications.

## Funding

This design, when fully implemented, would result in a diverse mix of funding sources, including:

- Tuition from undergraduate and certificate programs,
- Program income from a wide variety of on-campus programs such as summer institutes, weekend seminars, multi-day symposia, and subscription-fee conferences — with age groups ranging from Elderhostels to summer youth camps,
- Business partnerships in which UMC is paid to explore, research, and test products and services focused specifically on the market and the challenges of rural communities,
- Consulting income as UMC becomes well known as one of the best places to learn about and address issues of rural vitality, and
- Possible product and royalty income.

Overall, the financial operation of Crookston would become much more entrepreneurial as a wider variety of income streams are pursued and value exchanges negotiated. Realistic targets should be set for each category as part of the annual accountability cycle.

## **Measures of Success**

The success of UMC will be measured by its ability to:

- Attract a significant number of students (at least 50 percent) as a direct result of its focus on sustainability,
- Derive a significant proportion of its non-degree revenue from activities related to its sustainability focus,
- Secure financial support from foundations, conservation and environmental organizations (e.g., Nature Conservancy, Land Trust, etc.) and key business interests (i.e., agriculture, natural resources, manufacturing/industry), and
- Achieve national recognition for its work on sustainability issues.

## 4.2 The Achievement Connection

- University of Minnesota Northern Plains Institute
- Regional Broker for Higher Education Resources
- Operations/Marketing Instrument for Both UMC and UMM

### Concept: A New Approach

For as long as she could remember, Juanita dreamed of practicing medicine. As a child on her family's dairy farm near Park Rapids, she loved caring for livestock and pets: feeding and tending them, helping with calving, and most of all, caring for their injuries and illnesses.

Juanita did well in school — not at the top of her class, but a high achiever in most subjects. During high school she thought about where she might attend college. She wanted to pursue her dream, and she felt fairly certain she could compete with students at the best universities. But she also worried about moving away. The University of Minnesota seemed like a great fit, but could she adjust to life on a big campus in the heart of a major metropolitan area?

A private university was a possibility. Her family had some savings for education, but high tuition would create hardship. Plus, her family often needed her to help out with the farm and care for her elderly grandparents. Traveling away to an expensive school didn't seem practical, but she knew the prestige of graduating from an upper division university would go a long way toward helping her get into medical school.

In her junior year, a solution began to materialize. A favorite teacher suggested she meet with an admissions counselor from the University of Minnesota's Plains Institute. The Plains Institute was geared to helping students of Juanita's caliber design exactly the right educational path to achieve their goals. Agreements with almost all the higher education institutions in the region allowed the Institute to help students find the right fit for their needs at any given time. In effect, the Institute was a broker, not simply a provider, of educational resources in the region.

The Institute's admissions counselor suggested that Juanita spend her first year or two attending Bemidji State University, which was much closer to home. Many courses were cross-listed with the University of Minnesota-Crookston. When she was ready, she could transfer to UMC, or perhaps turn to the University of Minnesota-Morris, Minnesota State-Moorhead, or even Concordia — the private liberal arts College in Morehead — to complete her Bachelor's degree. She might even consider finishing her undergraduate work at the U of M's main campus.

Best of all, one day Juanita's undergraduate degree would carry the prestige of the University of Minnesota. She could look forward not only to flexibility, economy, and smooth transitions in her undergraduate career, but the ability to compete effectively for placement in top graduate programs, including the premier health sciences programs at the U of M.

Thanks to the ability of the Institute to broker resources, Juanita could take the first steps in realizing a dream that for so long had seemed just beyond her reach.

### **Institute's Focus (with UMC as a Supplier)**

The primary broker of academic resources — both its own and those of other providers — for students in northwestern Minnesota and for international students seeking to move up the educational ladder.

This design concept leverages the complementary roles of UMC and UMM by creating an operational, marketing, and recruiting superstructure — the “University of Minnesota Northern Plains Institute” — to serve both institutions and, more important, offer the region a potentially powerful new higher education service model.

Institutions become “institutional” when the needs of the institution begin to eclipse those of the customer for whom they exist to serve. This design concept challenges institutional thinking by creating a new entity that directly represents customers — the student — in the search and negotiation for the best higher education resources to serve their particular needs. The Institute works as an agent or broker for the student, bringing together options for the student to consider that are built on the rich set of higher education resources available in the region. The Institute would continue to work with students throughout their degree program, helping them achieve their educational goals. The Institute also delivers a valuable service to its key suppliers — UMC and UMM — by providing both “backroom” operational support and marketing/recruiting services that more effectively leverage the University of Minnesota brand. The Institute may best be viewed as a “wholly-owned subsidiary” of UMM and UMC, offering joint recruiting, brokerage options, and “backroom support” around selected administrative operations.

This design concept leaves UMC and UMM programs and positioning relatively unchanged. Both institutions continue to enroll “their own” students, much as they do today. The two campuses, however, are expected to be “suppliers” of educational programs to Institute students, thus increasing the enrollment of both campuses. Whether it be UMC, UMM, or other neighboring institutions, the Institute will broker educational resources from these suppliers and, financially, negotiate discounts for the enrollment it brings to them.

Given the strength of the University of Minnesota brand, the Institute can effectively reach beyond the borders to build international relationships, particularly in Canada, with the potential to deliver a genuine value-added, “sky’s-the-limit” educational experience for regional clients. It also can provide a new talent pipeline into the region that can create economic stimulus and lead enhanced community services throughout the region: a true international institution.

### **Key Strategy/Metaphor**

The University of Minnesota, by developing an instrument to better coordinate higher education resources in western and northern Minnesota, invents a new, branded service model that caters more directly to the diverse educational needs and aspirations of students.

- Strategy: Change the nature of the customer relationship by becoming a broker of all product sets instead of merely a provider of one.
- Example: Progressive Insurance

The University takes the lead in making the higher education market work better for students in northwestern Minnesota. Rather than making one choice from among several competing institutions and programs, students will have access to several options and counseling assistance to help them put together degree plans tailored to their unique needs.

## Customers

As a broker of products/services offered by both the University of Minnesota and other higher education providers, the Institute is positioned to serve both regional and international customer segments, including:

- Workers “stuck” in their educational careers,
- Students who want or need a multi-institutional degree program, and
- Students preparing for or pursuing advanced degrees (by building on resources throughout the region).

## Outcomes

The Institute will deliver:

- Single-source solution to help students with limited resources optimize their use of higher education services in the region,
- Distribution system that aligns marketplace demand for higher education resources with available providers more effectively (with UMC one of many “suppliers”),
- Degrees that have more meaning in the marketplace (especially for regional employers),
- Greater incentive for cooperation among public institutions in the region,
- Shared “backroom” operations and recruiting/marketing capabilities that cut costs for UMC, UMM, and perhaps even MnSCU and other providers, and
- Enhanced brand value for the University of Minnesota.

## Operations

As a broker of resources, the Institute will think about the delivery of higher education resources in radically different ways. It will seek a combination of the best service, the best education, and the best price it can find for its students. Institute students will have a powerful partner in formulating their educational plan. To be successful the Institute will be required to:

- Negotiate many operating and articulation agreements,

- Monitor, evaluate, and leverage the ebb and flow of market demand (needed skills) and supply (particularly the surplus of educational opportunities) in the region,
- Provide aggressive guidance and coaching to ensure that students remain successful as they migrate from one program to another,
- Develop efficient backroom operations and a strong marketing/recruiting team that understands the mission and are equipped with the resources needed to execute it for UMC and UMM, and
- Build an enlightened leadership team that can negotiate and maintain strong, healthy relationships with the network of providers.

## **Funding**

Students who enroll in brokered degree programs offered through the Institute would pay “tuition” to the Institute. In turn, the Institute would negotiate “enrollment contracts” with each higher education institution that serves its students. This may permit “bulk purchasing” since the Institute would absorb some of the costs associated with each student.

The “backroom” operations provided jointly to UMM and UMC would function as a utility, with representatives from each campus serving as a review and rate-setting board. UMC and UMM would pay the utility for services provided, allowing them a margin for investment and “depreciation.” Services such as recruiting, enrollment management, and other jointly provided services would be funded through these rate charges.

An initial investment would be necessary to establish the Plains Institute and fund its initial operation: this could be a loan with a fixed payback period, an investment with payback determined by the success of the operation, or a “capital” investment without any expectation of payback.

## **Measures of Success**

The Institute’s success will be measured by its ability to:

- Broker a continuously growing number of educational placements,
- Increase graduation rates in the region as a whole (not just from University of Minnesota system),
- Increase the overall educational attainment level of northwestern Minnesota,
- Produce satisfied customers — students who receive degrees and certifications well-aligned with their individual expectations and plans, and
- Win increasing satisfaction and cooperation from administrators, faculty, students, stakeholders, and others served by the joint backroom and marketing/recruiting operations.

## 4.3 Institute for Public Resource Managers

- Dedicated to Education/Training for Public Sector Careers
- Focusing on Agriculture and Natural Resources
- Viewing Public Agencies as the Customer of UMC

### Concept: A New Customer

The staff meeting breaks up, and Sarah walks briskly back to her office. It's almost 11:00, and a stack of items still needs attention before lunch. Plus, she has just received approval for some additional hiring. Lunch will be short today.

Sarah is human resources director for the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) in the Upper Midwest Region (Region 8). The position is often challenging. Faced with a broad mission to fulfill covering a wide geographic area with limited budgets, her agency can't afford to make mistakes with respect to employees. The work demands both the right skills and the types of people who will fit well into the organizational culture.

Fortunately, the NRCS, along with several other federal and state agencies, has established an educational partnership with the University of Minnesota-Crookston. Instead of focusing solely on attracting students to campus, UMC has focused on building relationships with public agencies that have responsibilities related to agriculture, natural resources, and environmental protection. These relationships have allowed UMC to better track and understand emerging needs, enabling the university to adapt its curriculum to deliver the skill sets needed to meet those needs.

And the relationship doesn't stop there. UMC develops special programs and often delivers instructors on-site to provide training and consulting assistance. For example, next summer several NRCS staff members will attend a special week-long training institute at Crookston focusing on soil research methodologies, and the following fall similar sessions will be conducted on-site at several NRCS facilities. In addition, some training is offered online, making it even more convenient for employees and the agencies and allowing UMC to distribute its resources more effectively among multiple partners.

For Sarah, the relationship NRCS established with UMC makes life easier in several ways. She knows that UMC is thinking about NRCS and constantly making adjustments to supply the skill sets they need. The relationship allows her to address temporary needs quickly, and often, before filling a position permanently, she'll be able to identify good prospects from among students who already worked with NRCS as part of their educational program through UMC. UMC encourages students to divide their time between traditional on-campus classroom and hands-on training. Students often alternate, spending a semester on campus, then applying the skills they've learned by working full-time the next semester.

As Sarah pulls position descriptions for the new jobs up on her computer screen, she's already thinking of likely candidates from among several UMC students who worked there the previous fall. Even checking references is a more streamlined process, since several UMC faculty members also maintain ties to the agency.

If things keep going this smoothly, maybe Sarah will have time for a real lunch tomorrow.

## UMC's Focus

The principal provider of entry-level professionals and significant “in-house” training to government agencies focused on agriculture, natural resources, and environmental protection.

In this design, selected government agencies are the customers, with UMC serving to ensure that students receive the preparation they need to begin careers in high-demand public sector areas, and that government agencies have access to a work force of well-trained professionals. Looked at another way, UMC becomes “in-source” supplier for the human resource departments of its public agency partners.

There are many potential benefits of UMC working hand-in-hand with essential public entities that provide services important to the region. For example, UMC regularly places students with the Natural Resources Conservation Service (NRCS, originally the Soil Conservation Service) within the U.S. Department of Agriculture. How many more students could it place if UMC focused on building a partnership with NRCS, built curriculum around its needs, developed NRCS internship and study projects, and set-up a five-year coop program enabling students to work and learn at the same time and ending with a significant possibility of employment with NRCS? For its part, NRCS would have an opportunity to use the UMC relationship to secure high-quality, well-trained employees and leverage UMC's resources to deliver its services more efficiently.

This idea is not tied specifically to NRCS; it could be Rural Development within USDA or state departments of agriculture and natural resources. The design will require initial market research in the form of exploratory discussions with prospective client agencies. Many possible relationships exist with the public sector, but the thrust of the design is to focus intensively on a few, highly-relevant public sector areas, which will enhance UMC's ability to meet their needs effectively.

In one form or another, agriculture and the management and protection of natural resources will remain vital elements in northwestern Minnesota. By building its programs and operations around public responsibilities in these areas — research, expertise, training, etc. — UMC can develop a level of specialization that both serves the region more effectively and enables UMC to reach out to new customers outside the region. Designed primarily to appeal to public sector agriculture, natural resource management, and environmental protection agencies, this strategic vision will attract students seeking the specialized training and experience needed to gain entry into these professional fields.

While some modification and realignment of programs and operations would be needed, for the most part the design leverages existing strengths. It has the potential to build on the great tradition and reputation of Minnesota as an engine of innovation in agriculture, natural resource management, environmental protection, and public service.

## Key Strategy/Metaphor

UMC targets a new core customer, becoming the “in-source” supplier for an essential business component (i.e., skilled employees) in a vital and relatively stable market segment: agriculture and natural resource agencies within the public sector.

- Strategy: Know your customers' needs better than they do and deliver to them.

- Examples: “Intel inside,” flight training schools, cooperative engineering programs (University of Cincinnati)

## Customers

As a business-to-business provider of education and training, UMC’s customer focus includes both students and employers in the public sector, primarily:

- Federal and state departments of agriculture,
- Federal and state departments of natural resources,
- Federal and state environmental protection agencies, and
- Local government entities such as soil and water conservation districts, mosquito control districts, waste water treatment plants, etc.

## Outcomes

UMC will deliver:

- Jobs with benefits — guaranteed!
- High-value degrees and certifications aligned with public sector needs and updated continuously,
- Workshops, seminars, and conferences designed exclusively for the professional development of agency staff (offered at UMC or on-site depending on need and topic),
- Skill sets, work habits, and on-the-job experience designed to meet public sector needs,
- Incumbent workforce training and education (blending on-line, on-campus, and on-site),
- Research and technology transfer capabilities dedicated to public sector needs, and
- On-campus activities linked to agriculture and natural resources public sector responsibilities.

## Operations

As a business-to-business provider, UMC will align all programs and operations with the needs of its public sector agency clientele and find new ways to leverage mutual benefits from these relationships. UMC can:

- Adopt an innovative pricing structure — for example, *conditional tuition*, subsidized by federal and state agencies (which benefit from access to an exceptionally well-trained talent pool), that students pay back to UMC at a rate commensurate with income (small amounts initially and higher amounts later as income rises),
- Treat all on-campus activities as an extension of its public sector partnerships,
- Facilitate the ability of students to move seamlessly back and forth between UMC and public sector agencies,
- Treat experiential learning as the centerpiece of the curriculum, and

- Ensure that faculty/staff maintain close ties with UMC's public sector partners.

## **Funding**

Funding streams for this design follow the traditional models of higher education, at least for the first two to three years of a student's academic program. We anticipate that the career track and experiences this design delivers would yield increased enrollments.

We are equally intrigued by the possibility of providing a comprehensive scholarship program for "advanced" students in their junior and senior years. Like Berea College or Cooper Union, which offer tuition-free scholarships to all students who are admitted, UMC might develop a similar incentive for upper division students. This could be paid back depending on the level of income; there may be ways to fund this in partnership with the agencies through the establishment of revolving fund. PSG has not explored these details, but if this operating characteristic proves attractive, the exploratory work should be done immediately. It offers exciting possibilities that could have a dramatic effect across the region.

## **Measures**

UMC's success will be measured by its ability to:

- Maintain and expand strategic alliances with agriculture, natural resources, and environmental protection agencies at the federal, state, and even local government levels,
- Derive a significant proportion of operating income from these partnerships,
- Reduce employee turnover rate for UMC graduates, and
- Deliver graduates who score demonstrably higher in performance reviews.

## 5.0 Assessment Criteria

In this work, PSG was charged with presenting to the University community a set of “alternative designs” that would provide intellectual grist for the UMC Strategic Positioning process. We were specifically asked not to provide a recommendation supporting any single alternative. This choice is the purview of the University’s governance processes.

Yet to assist reviewers and facilitate the University’s discussion, we offer the following criteria and discussion guide. Our intent is to give reviewers a tool that will aid their own process of discernment and provide a “metric” to facilitate discussion.

Although many of us rightfully resist the quantification of important and complex judgments, PSG feels that starting with quantification can expose important differences in the way we examine problems. Different people in different positions bring different levels of tolerance to any “investment” decision. Just as a 62-year old couple look at their financial investments differently than a set of younger partners, so too will readers of this report judge the potential payoffs and risks associated with each design with different priorities in mind.

As University colleagues debate alternatives with each other, we encourage them to invest time in discussing the criteria and the weight they place on these various factors, not just argue their position. In many cases it will elucidate the different reactions readers may have to the same design.

### 5.1 Instrumental Factors

First, we offer a set of “instrumental factors” that should be considered in any decision. These are factors that can propel or hold back the implementation of a design.

- To what extent does the design respond to a market need?
- To what extent will the design yield a set of outcomes that the region needs?
- To what extent does the design build on current UMC strengths, including faculty, curriculum, physical plant, etc.?
- To what extent does the design build on existing University of Minnesota educational, research, and outreach programs in the region?
- To what extent will the design receive favorable support from:
  - UMC alumni and donors?
  - Regional opinion leaders?
  - Other higher education institutions?
  - Minnesota Legislators?
  - UMC faculty and staff?
  - UMC students?
  - Other University of Minnesota faculty?

## 5.2 Overarching Criteria

Next, reviewers are encouraged to judge each design on the “overarching criteria” established by the University, building these assessments in part on their evaluation of the instrumental factors above.

- To what degree will the design yield outcomes that contribute to the overall success of the University of Minnesota, as called for in the Strategic Positioning Objectives?
- To what degree can the design evolve to accommodate the myriad of forces at work that will shape the evolution of higher education?
- To what degree will the design result in a UMC campus that assumes greater responsibility for more of its costs, as well as a balanced budget?
- To what extent will the design build on existing educational, rural and economic development, and related resources in the region?
- To what extent can the University of Minnesota provide the resources (i.e., time, money, enthusiasm, courage) necessary to successfully implement the design?

## 5.3 Global/Comprehensive Assessment

Given consideration of the factors and criteria above, which of the designs or components of these designs, including the cross-cutting operating characteristics, would you most support and why?

The chart on the next page has been designed to aid your review and discussion of PSG’s three design concepts for UMC. Criteria are laid out for weighting each alternative. Follow the steps as described.

## 5.4 Discussion Tool

1. For each criterion, assign a relative weight from 1-5 (with 5 being the most heavily weighted) in the first column (W).
2. For each design (represented by columns A-C), enter a likelihood score from 1-10 (with 10 being extremely likely) for each criterion in the left-side box.
3. After scoring all the criteria for a design, multiple each likelihood score by its weight in the first column (W) and enter the total in the right-side box.
4. Total the scores in the right-side columns.
5. At the bottom give your overall assessment of each design.

W	INSTRUMENTAL FACTORS	A		B		C		COMMENTS
		(Vitality)		(Broker)		(Public)		
	Respond to market need?							
	Respond to regional needs?							
	Build on current strengths?							
	Favorable support from:							
	Alumni and donors?							
	Regional opinion leaders?							
	Other institutions?							
	Legislators?							
	UMC faculty?							
	UMC staff?							
	UMC students?							
	Other U of M faculty?							
	<b>SUBTOTALS:</b>							
W	OVERARCHING CRITERIA	Vitality		Broker		Public		COMMENTS
	Contribute to overall success of U?							
	Evolve over time?							
	Greater UMC financial responsibility?							
	Build on regional resources?							
	U of M resources to implement?							
	Consistent ways to judge success?							
	<b>SUBTOTALS:</b>							
<p><b>COMPREHENSIVE ASSESSMENT: Rank order the three designs and indicate your reasoning.</b></p> <p><b>VITALITY:</b></p> <p><b>BROKER:</b></p> <p><b>PUBLIC:</b></p>								

## 6.0 Moving Forward

To launch UMC's strategic positioning process, President Bruininks said, "Although there are no predetermined outcomes, one thing is clear: The need for change and improvement is urgent [for UMC]."

At the same time, Senior Vice President Jones said, "Given the demographic, financial, and academic constraints UMC faces, the campus must begin to re-evaluate how it can best continue to serve the region and the state."

PSG agrees with these statements. Demographic changes, increased competition for higher education resources, and a financial structure that makes UMC more costly than its peers together point to the need for a new or significantly revised strategic vision.

Effective planning begins with the specification of assumptions and constraints. At the beginning of this process the University specified a clear set of "design parameters":

- Remain consistent with the University of Minnesota mission,
- Assume no increase in state funding,
- Become more responsible for your own funding,
- Build on resources in the region, and
- Define measurable results to gauge progress.

PSG urges the UMC community to understand, internalize, and take ownership of these parameters. Funding increases, beyond inflation, are not going to occur. UMC must determine how to operate within its current level of support from the State of Minnesota. This doesn't mean that the budget of UMC is limited. As these designs show, UMC has opportunities to diversify and expand its revenue base.

The case for change is compelling. Higher education, unfortunately, has slipped as a priority for state funding. There is just too much competition for existing dollars from health care, Medicare, Medicaid, K-12 education, transportation, and other public needs. Although UMC has been asked to change significantly across the last four decades, the pressure on UMC is not significantly different from that felt by other colleges and campuses at the University and throughout the rest of the Minnesota higher education community. Today's competitive environment requires flexibility, creativity, and adaptability.

Leading and managing through the pressures of change requires both support and commitment. Each person experiences change in different ways.

Whether one welcomes change or resists is not a measure of one's virtue. Moving through the process and overcoming resistance requires candid conversation about one's hopes and fears. Helping those within the UMC community who find it difficult to move forward is a responsibility everyone on campus must share. Without this mutual support, UMC cannot fully realize success.

UMC has reason to celebrate what it has accomplished in its first hundred years. The change required is not about correcting failure; it's about adapting to changing conditions. Yet moving forward requires that

UMC sharpen its mission. PSG urges UMC to create a clear set of outcomes, communicate them widely, ask everyone on the UMC faculty and staff how they see themselves contributing to these outcomes, and then develop an accountability system aligned with these outcomes. Reviewed regularly, this “outcomes dashboard” will help UMC learn through its progress and, simultaneously, enable the University community and others see just how well UMC is doing in delivering its expected results.

Implementing the necessary changes will require reallocation of resources. It will be essential to stop doing some things so that needed changes may be initiated. The more transparent these reallocations are, the greater likelihood that reprioritization will be accepted and the momentum sustained.

UMC can embrace its future with enthusiasm, commitment, and confidence about the potential value it will add to the region, the State of Minnesota and, most important, its graduates.

The cooperation of UMC faculty, staff, students, and the Crookston community in the development of these design concepts has been an invigorating and rewarding experience for The Public Strategies Group. Best wishes for success.