

# *Strategic Traction*<sup>™</sup>

*How College and University Leaders  
Keep their Institutions Moving Forward*

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*Changing conditions mean that institutions must sharpen their planning skills and improve the outcomes of decision-making processes. Toward that end, this paper presents a planning and decision-making framework that helps institutions gain the focus, direction, and alignment needed to identify and capitalize on opportunities, move forward, and sustain success. It's what we call Strategic Traction™.*

Colleges and universities, like other cornerstone enterprises in our society, require effective planning and management to succeed. College and university leaders, like leaders of other enterprises, are expected to keep their institutions moving forward in the face of changing external conditions and internal circumstances.

Yet, forward movement requires traction, which can be difficult to gain in times characterized by ongoing change and diverse challenges.

Institutions of higher learning are now navigating in such times. Doing so successfully demands updated approaches to planning and decision-making; approaches firmly grounded in strategy.

We present a framework for strategic thinking, planning, and decision-making that enables higher education executives not only to cope with the changes their institutions now face—in stakeholder expectations, technological capabilities, and market competitiveness, to name a few—but also to identify and capitalize on the opportunities that are unfolding before them. Applying this framework enables the institution to gain what we call Strategic Traction. Strategic Traction generates and sustains movement in the right direction, because unplanned movement is worse than standing still.

Strategic Traction works in part by helping leaders gain essential institutional focus, direction, and alignment in ways that overcome or eliminate factors that can hinder forward movement. These may

include governance and management structures, competing constituencies, financial constraints, crowded agendas, or institutional culture and traditions. Singularly or in combination, these factors can lead to loss of focus, lack of direction, misalignment of resources, and, ultimately, loss of traction.

Clearly, some institutions are able to maintain forward movement, come what may. Yet others lose traction, or fail to sustain it when they need it most. Some become complacent, fail to anticipate change, and resist adaptive action. Others try to respond to the ever-changing needs of an unlimited number of constituencies and lose focus. Still others set a priority agenda with too many simultaneous initiatives, which tends to outstrip managerial capacity and dissipate executive energy and financial capital. And even the best-managed institutions lose traction over time because of the inherent fragmentation of the academy. Strategic Traction enables institutions in these situations to sharpen their planning and dramatically improve the outcomes of decision-making processes. In our current environment, nothing could be more valuable.

#### **Why is Strategic Traction so important right now?**

The following developments are key reasons:

- **New Demands:** Institutions must deal with a marketplace characterized by more diverse, demanding, and sophisticated consumers (students, parents, government sponsors, benefactors); heightened competition; new

approaches to teaching and learning; and evolving information technology.

- **Rapid Change:** Faster cycles of change—in knowledge creation, student needs, education delivery, technology, and other areas—shorten timeframes for decision-making and decrease the planning horizon.
- **Financial Pressures:** Increased capital intensity heightens the financial stakes. Resource-deployment and capital-allocation decisions must be viewed as investments in change, made with the expectation of healthy, measurable educational and economic returns.
- **Great Expectations:** Competition for leadership talent has intensified, as have the demands on that talent. College and university presidents operate under increasing pressure and shrinking tenures. A president is expected to master market forces to the institution's advantage and register significant, visible accomplishments on his or her watch.
- **Greater Risks:** The world in which colleges and universities operate is a risky place and gets riskier every day. Institutions need the capacity to take calculated risks. Decisions carry more financial materiality, margins for error are reduced, and mistakes are very expensive to overcome.
- **Obsolete Methods:** Outdated mental models, operating practices, and organizational structures can artificially limit an institution's options. Because tradition is at the core of higher education, colleges and universities are often wedded to the past by principle or habit, rather than intent and purpose.
- **Leadership Dilution:** The increasing shift in the president's role to focus more time and energy on an external agenda often creates a leadership gap, particularly in small to mid-size institutions.

Institutions need to adequately expand the circle of leadership and management to create a cadre of officers and staff capable of carrying the strategic vision and managing to it.

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- **Evolving Relationships:** Use of partnerships, strategic alliances, mergers, and acquisitions has increased dramatically. New kinds of relationships can only become more important in the higher education landscape. Forging and managing relationships are part of the new work of the institutional officers (as is maximizing the value of intellectual property). A meld of jointly determined focus, direction, and alignment is essential if cultures are to come together, work together, and stay together.

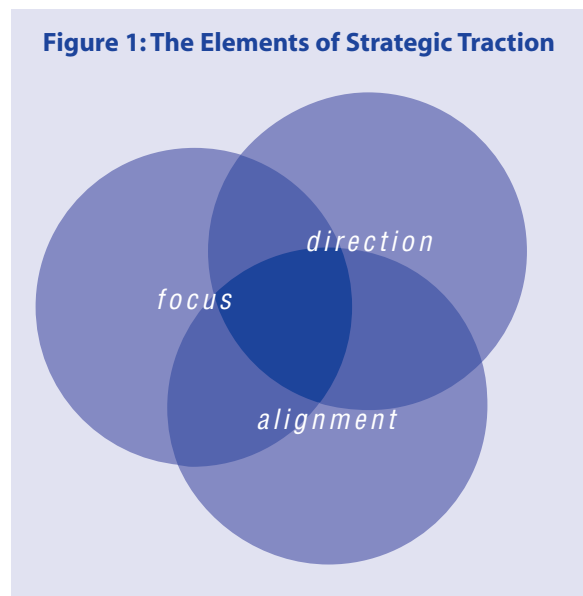
### GETTING TRACTION

So how does a college or university get Strategic Traction? By applying an integrative approach to strategic thinking, planning, and decision making, and employing a proven framework that develops focus, sets direction, and achieves alignment. It is the linkage of those three elements—focus, direction, and alignment—that creates the strategic perspective, the context for governing boards, executives, and stakeholders to frame, discuss, and make decisions. That's what gives institutions Strategic Traction.

The Venn diagram below depicts the framework that generates Strategic Traction and its components. Focus, direction, and alignment are separate,

both conceptually and practically, but they are not completely discrete. They overlap, and Strategic Traction exists in the spot where focus, direction, and alignment come together.

**Figure 1: The Elements of Strategic Traction**



#### How do these elements fit together?

**Focus:** Colleges and universities must honor their cultures and traditions. They must remain true to their histories and missions. Yet missions change over time. Therefore they must be revisited periodically, and affirmed or amended. Vision must be consistent with the prevailing mission and institutional circumstance. A clear understanding of who they are, what they stand for, which markets they serve, and where they want to go gives institutions the required focus. Connecting mission and vision provides focus.

**Direction:** Charting a path to achieve a vision and fulfill a mission calls upon an institution to make tough choices, to set—and stick to—priorities. Identifying the possibilities, clarifying the underlying assumptions and long-range implications, and selecting the best strategies will establish the necessary institutional direction. Focus informs direction.

**Alignment:** To effect change, institutional leaders must translate strategy into action. They must devise operational plans, deploy resources, and engage diverse constituencies. Successful execution of plans depends on the proper alignment of mission, strategy, and resources; establishment of clear responsibility and authority; and effective two-way communication. Focus and direction inform alignment.

Two concepts are integral to the application of this framework—a strategic worldview and an institution-wide perspective. Taking a strategic worldview means thinking about the institution in the context of the world around it, seeking to understand the interconnections and interactions among people and organizations. Maintaining an institution-wide perspective means always considering the institution as a whole as well as its specific parts, being constantly vigilant regarding ways to achieve congruence and avoid conflicts. College and university leaders must recognize the need to periodically reconnect people, programs, and support services to the whole of the institution.

Strategic worldview and institution-wide perspective are both easy to lose sight of amid the hurly-burly of everyday institutional life. Yet, when leaders make decisions without that worldview and perspective, they can inadvertently skew priorities, create internal competition, and squander resources.

#### A FLEXIBLE APPROACH

Gaining Strategic Traction is not a formulaic process or one-size-fits-all proposition. To be truly valuable, the process must be flexible, because needs and priorities vary by type and size of institution and the markets they serve. Different kinds of institutions face specific kinds of challenges: private universities may have complex economic and capital structures; large research universities often struggle with managing multiple missions; smaller private

colleges often lack scale; state universities frequently carry the land-grant, normal-school, or urban-university legacy; and most community colleges need to play a significant role in area workforce development.

And all institutions face common challenges, be they the age-old questions of who gets taught what by whom, when, and where, or more recent “market-driven” concerns of positioning the institution, competing for talented students and faculty, or utilizing technology effectively. An institution’s response to those common challenges is differentiated by

*“Regardless of type, size, characteristics, or financial wherewithal, institutions can benefit from applying the Strategic Traction framework.”*

nuances in culture, circumstance, or constituencies. The Strategic Traction framework accommodates both unique and common issues, because all considerations ultimately link back to whether and how well they further the institution’s mission.

Smaller, less well-endowed institutions have a harder time meeting those common challenges. Sometimes, money—the great equalizer—does make a difference. However sometimes, money only papers over the inability to articulate and implement an institutional strategy. More often than not, a lack of leadership and management, rather than a lack of money, is the culprit.

In point of fact, without an institutional strategy—and accountability for developing and implementing it—capital is typically dissipated. The common practices of allocating funds on a “wish-list” basis or with some notion of equal treatment or by merely increasing the previous year’s budget base will not mobilize the capital required to accomplish any-

thing significant. Even when substantial capital allocations are made, the long-term success of whatever they are funding is in jeopardy absent a strategy that considers opportunity costs, return on investment, and the longer-term costs and implications for the institution.

The Strategic Traction framework fully considers the costs and implications of a decision, and emphasizes allocation of resources based on the anticipated returns of a given initiative.

Strategic Traction, by definition, occurs at the institutional level, because its purpose is to promote thinking, planning, and acting in an institution-wide context. Although the focus-direction-alignment approach can be used at the department or program level, it is most effective when the institutional context has already been set. Otherwise, substantial time and energy may be spent on optimizing fragmented, unconnected objectives. Regardless of type, size, characteristics, or financial wherewithal, institutions can benefit from applying the Strategic Traction framework.

## STRATEGIC TRACTION IN ACTION

Below are a few examples of how Kaludis Consulting has used the Strategic Traction framework to help clients succeed.

### POSITION ASSESSMENT AND GOAL SETTING

A major public university system asked Kaludis Consulting to evaluate the strategic position of a growing campus that was becoming increasingly important politically. Because of its political significance, the campus’s charted course would have local, regional, and statewide implications. Specifically, we were asked to assess the viability of a set of strategic goals established by the president. This entailed examining the appropriateness and feasibility of those goals.

It quickly became clear that the context within which to make that assessment did not exist. It had to be created. An examination of the institution's mission, traditions, and emerging stakeholder needs and expectations yielded a conditional "yes" to the appropriateness question. A more thorough analysis would provide a definite answer, and address the feasibility question.

To provide the requisite level of analysis and to promote the necessary campus discussion, we proposed a four-stage process to:

*1. Operationally define each goal.*

The goals as articulated were useful "headlines," but their precise meaning was open to broad interpretation. Ultimately, their feasibility could not be evaluated until those precise meanings were defined in operational terms.

*2. Define the metrics of success.*

Part of determining feasibility is setting milestones and defining the results that indicate the goal has been reached.

*3. Articulate strategies and set priorities.*

With the goals and the metrics of success clearly defined, the tasks become to articulate the specific strategies to be executed and their priority, and quantifying the resources required to execute them.

*4. Perform a gap analysis.*

Once the strategies and resource requirements are known, the tasks are to identify gaps, assess options for closing or reducing the gaps, determine the options for acquiring the needed, and evaluate the likelihood of success.

With this planning and decision-making framework in place, the university could productively continue the examination. Because the appropriateness and feasibility questions constitute core focus and direction considerations, they represent the first indicators of traction.

## STRATEGIC POSITIONING

A small religious university with a strong liberal arts tradition sought to strategically position its large and growing school serving the adult learner. Kaludis Consulting was engaged to develop a business plan to support this positioning. However, after examining the situation with an eye toward the strategic worldview and taking an institution-wide perspective, it became clear that basic focus, direction, and alignment issues for the university had to be addressed or there would be no traction.

Growth plans and development strategies abounded, but they were largely independent of each other. Fundamental assumptions in a complex economic equation were presumed valid, when, in fact, some were contradictory. Expected financial commitments tested institutional capacity, and many had been made without sufficient consideration of the effects on the parts or the whole. The full extent of the economic interdependence of unit-specific strategies—was not clearly understood.

We were able to elevate the discussion to the institutional level, engaging university executives in examining the critical focus and direction issues. The understandings, decisions, and commitments resulting from that effort created the appropriate institutional context within which to pursue the strategic positioning of the adult program.

## PROCESS REDESIGN

An elite private college wanted to redesign the process by which Web-based initiatives were established and maintained, and engaged Kaludis Consulting to lead this effort. The real need, however, was for a Web vision and strategy to guide the organizational and operational decisions that launched the project. Like many institutions, this college had seen its Internet presence develop with little or no institutional guidance or intent. As competition for resources increased, so did

dissonance between and among customers and providers of services.

But the operating problems were merely symptoms a larger issue. The Internet and Web are important tools for delivering the institution's mission. As such, they warrant thoughtful consideration as well as an institutional framework within which to grow. This project provided the vision; identified the appropriate strategies; and recommended policy, procedure, and structural changes to achieve the proper alignment. (Kaludis Consulting presents a strategic approach for thinking about the Internet in its white paper, "Untangling the World Wide Web.")

#### **BUILDING STRATEGIC FOCUS**

A professional university with two geographically distant traditional campuses, a wide range of other domestic and international academic initiatives, and strong industry links sought to leverage its exceptional educational franchise and develop a global perspective. Internal pressures created an expectation that the institution's strategy should be to move more closely to a traditional university model. The president engaged Kaludis Consulting to evaluate existing plans, which served as the blueprint for the future institution, and to advise on near-term strategies for achieving the stated goals.

The university's unique mission and ambitious vision provided the proper context for direction setting. We guided the university officers' examination of alternative strategies, always cognizant of special cultural issues and geographic realities. Our work produced an immediate strategic agenda and a set of organizing principles, as well as recommendations for addressing resource-alignment and process-change needs.

#### **STRATEGIC PLANNING**

A special-purpose institution had endured a protracted internal struggle for resources between its two basic enterprises—one serving degree-seeking

students, and the other serving those seeking industry-specific training. Kaludis Consulting was engaged to guide the institution through a complete strategic planning process. Clearly any attempt to rationalize these two distinct lines of business required an examination of mission and articulation of a new vision—one that embraced and supported its two distinct learning centers as part of one institution.

The key to resolving the struggle was a disciplined, participative and integrated planning process that educated administrators, faculty and staff from both sides of the institution about all of the institution's work and encouraged all parties to put the institution's interests above self-interest, in order to make the college as a whole successful. Building respect and value for both major educational programs was a prerequisite for effective planning.

All areas of the institution—students, faculty, staff, alumni, trustees and outside stakeholders—provided input in identifying the critical issues and framing the key strategic institutional questions—such as how the institution could build stronger, more effective relationships with industry, government, and alumni and what is the optimum mix of programs to achieve critical mass in enrollment.

Having developed a clear understanding of the competitive advantages and disadvantages of each program, and the institution as a whole, the college was able to answer those big questions and define a strategic agenda that set forth the program-development and financial priorities required to achieve its vision. The subsequent operational plan created to pursue the newly defined priorities effectively aligned resources with strategies.

This ambitious change agenda created initial anxiety among some stakeholders, but broad participation and effective communication throughout the project allowed concerns to be aired and addressed openly, and helped generate traction.

### ORGANIZATIONAL STRATEGY

When a mid-size New England college lost its registrar, the president sensed a larger opportunity. Rather than simply seek a replacement, she launched a strategic review of the entire functional area. A pattern of student complaints, inter-office squabbles, and billing problems had led her to believe that there were structural problems that required attention.

By starting with considerations of mission—in this case, the mission of the student services function to deliver services in a timely, cost-effective, satisfactory manner—the dialogue was immediately elevated above complaints, squabbles, and mistakes. By emphasizing purpose, it was much easier to engage diverse constituencies, including student-services staff that might otherwise have felt they were “under a microscope.” Depersonalizing the process allowed a full and free exchange of ideas and produced a set of alternative courses of action that crossed departmental boundaries and met the needs of all stakeholders.

The ultimate solution was an integrative approach that aligned resources for the delivery of all student services, such as financial aid, billing, and housing, in a single unit. Adopting this “one-stop-shopping” philosophy and a technology-enabled system that supported the delivery of student services allowed staff to be more productive and gave students self-service access to information and services.

### BENEFITS OF STRATEGIC TRACTION

Maintaining institutional momentum amid changing external and internal conditions stands among the highest priorities for higher education leaders today. Institutions that gain Strategic Traction are able to move forward by:

- Shaping their future by anticipating external forces, rather than being buffeted about by them

- Articulating their mission, values, essential character, and reason for being
- Setting forth a common vision that creates context for firmly linking individual and operational action with institutional priorities
- Minimizing conflicting goals and competing strategies
- Allocating resources more wisely and making investments with greater potential returns
- Creating multi-year resource commitment contexts that promote a sense of investment and return
- Generating greater commitment and engagement among stakeholders
- Presenting themselves as proper stewards to those whose financial support sustains the institution.

The Strategic Traction framework—and the focus, direction, and alignment that create it—provide leaders with a flexible, durable approach for examining issues, evaluating opportunities, and making decisions—and for communicating about these matters across stakeholder groups. It enables college and university presidents to lead their institutions in ways that do not depend on romantic notions of charismatic leadership, but rather on strategy, reason, and collaboration.

The task of developing integrated strategies and plans that serve the entire institution starts with reestablishing the importance and value that the executives, trustees, faculty, administrators, and other stakeholders place on the institution *qua* institution. From that foundation come the necessary academic, student-life, managerial, financial, and operating structures.

In today’s challenging environment, sustained success requires vision, leadership, commitment—and the momentum that comes from Strategic Traction.

## ABOUT KALUDIS CONSULTING

Since opening its doors in 1977, Kaludis Consulting has helped more than 300 colleges and universities face competitive pressures by working with institutions to accentuate core competencies, apply new technologies, reduce costs, build partnerships, and sustain a culture that successfully manages change.

Because each organization is unique, we approach every client's situation with a special appreciation for institutional culture, circumstance, and constituencies. As trusted strategic advisors to college and university executives, we provide the analysis and perspective that enables institutions to achieve focus, direction, and alignment—to gain Strategic Traction™.

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