Leaders in higher education need to stop thinking that the only path forward is the one they take alone.

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Executive summary
Key topics detailed in the Strength in numbers report are summarized:

- Why collaboration now?
- The four strategic positions
- The three step plan

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Why collaboration now?

Colleges and universities have emerged from two long and successive expansion periods in the history of higher education: growth (1968-1990), and technology (1990-2010), into an era of collaboration (2010-current) marked by fewer high school graduates, diminished state and federal spending, and squeezed personal incomes. Unfortunately, the current cost structure of colleges and universities cannot support an era of declining numbers of students because too many are dependent on enrollment for a bulk of their revenue.

This new era demands a significant shift in strategy for institutions around the idea of collaboration and the development of much deeper partnerships than higher education has ever seen before.

The four strategic positions

According to our analysis, how and when institutions partner will depend largely on where they fall into the four categories based on their size and stability. Although the individual colleges and universities in each of these four categories might seem remarkably different in their selectivity and financial resources, the approach to collaboration within each group should follow a similar playbook. Institutions will take one of two pathways depending on their situation: they are either taking advantage of an opportunity or pursuing collaboration out of survival.

The three step plan

While alliances between institutions are likely to improve the financial position and offerings, the path to move forward is not always clear. Colleges and universities that have successfully implemented partnerships suggest following a three-step process of consideration for institutions that are weighing options for collaboration. By following these three steps, institutions are better equipped to have successful and sustainable alliances over time.

What to do? Choose your category and:

1. **Think differentiation**
   - Strong niche institutions operate on a small scale by maintaining a specific focus to support growth. They should consider partnerships with other institutions as an opportunity for differentiation.

2. **Think enhancement**
   - Large and thriving institutions have sufficient scale to operate with financial strength and should consider collaboration to further enhance and grow their platform.

3. **Think new strategy**
   - Small and at risk institutions exhibit key risk factors, in addition to being too small to leverage scale to grow. Collaboration is a new strategy they will need to cut costs and survive.

4. **Think efficiency**
   - Large and languishing institutions are running budget deficits despite large student bodies. Forming partnerships will help them cut costs and operate efficiently, increasing their odds of survival.

Special note: the original data used for allocating institutions in the above four quadrants was from 2012. EY-Parthenon has reviewed the most recent data and has concluded that no major shifts have occurred.
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