



Executive summary

Strength in numbers

Strategies for collaborating in a new era for higher education



Executive summary

Key topics detailed in the *Strength in numbers* report are summarized:

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

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

Download the
report today at:
parthenon.ey.com



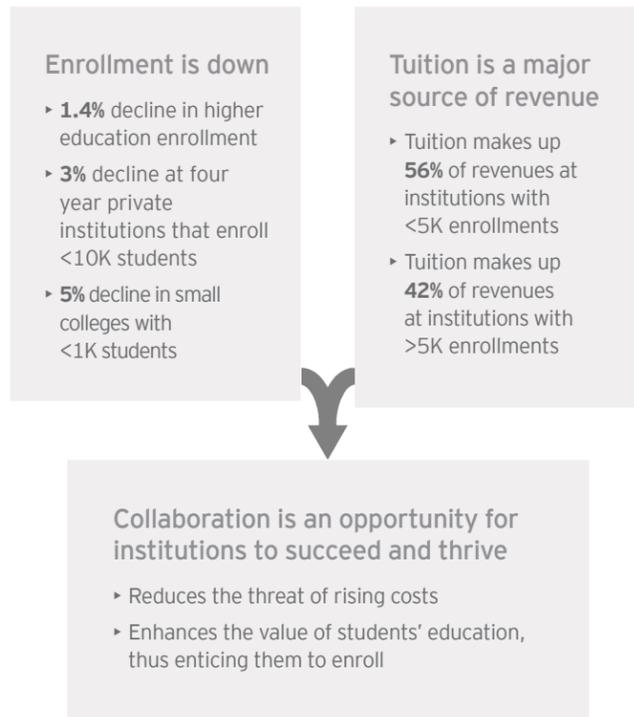
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Why collaboration now?

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 fundamental problem is too many institutions chasing too few students



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.



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.

3 Think new strategy

Small and at risk institutions exhibit key risk factors and are too small to leverage scale to grow. Collaboration is a new strategy they will need to cut costs and survive.

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.

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.

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.

Step one

Identify areas of collaboration

Pinpoint opportunities to form partnerships with compatible institution.

Step two

Structure potential partnership opportunities

Arrange a mutually-beneficial partnership around a shared vision.

Step three

Sustain the benefits of a partnership

Prolong the advantages of the partnership over the long-term.

Learn more.

Read the complete report at:

parthenon.ey.com/strengthinnumbers



Special note: the original data used for allocating institutions in the above four quadrants was from 2013. EY-Parthenon has reviewed the most recent data and has concluded that no major shifts have occurred.

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SCORE No. 03924-171US

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