Managing Innovation In Higher Education: Outlining a Few Best Practices

Michael Horn | Principal Consultant, Entangled Solutions & Co-Founder, Clayton Christensen Institute for Disruptive InnovationTerah Crews | Partner, Entangled SolutionsLauren Dibble | Engagement Manager, Entangled Solutions

The process of innovation is difficult and unpredictable, but critical to institutional success. Fortunately, there are a few best practices and steps that can

be leveraged to help move the process forward.Innovation continues to trend across higher education.

Colleges and universities are creating innovation offices and <u>chief innovation officer</u> positions, launching various online and competency-based offerings and, in some cases, answering to nervous boards of trustees regarding whether their institutions are doing enough to prepare students for an increasingly uncertain future.

Although some of the rhetoric may be overheated, the concerns fueling this move toward innovation aren't misplaced.

New disruptive innovations that are faster and cheaper than traditional programs have entered the postsecondary landscape. There is more pressure on institutions for accountability—to not only enroll students, but also to help them succeed up to and after graduation. College costs have continued to rise even as the average applicant is less able to pay, which has called into question many colleges' sustainability.

Innovations that do everything from create efficiencies for existing programs to cultivate new sources of revenue in new programs are in high demand.

As innovation becomes a major part of colleges and universities' strategies, creating processes to manage it is vital. Colleges must mitigate the risks that can come with innovation while maximizing the upside for their specific institutional mission.

Doing that is no easy task. But there are some tried-and-true tools that can help. In a new <u>white paper</u> for Entangled Solutions, we offered a way for universities to wade into the world of innovation with a transparent process that includes all stakeholders and minimizes risk.

One thing we have learned as we have customized that process at different campuses is that, often, the most important thing an innovation management process does is not about the process itself. It's the common language that the process creates or leverages. That language allows disparate stakeholders at a university to communicate more directly, so that they do not talk past each other or create misplaced fears that lead to paralysis.

Step 1: Clarify the Goals and Gaps

The first step involves clarifying a university's goals. Unlike businesses that exist largely to grow the bottom line, colleges and universities have complex missions with many goals, which makes the need for intentionality important. A school's goals can and should be multifaceted. They may include measures around enrollment, revenue, costs or productivity, student success, student composition, culture, faculty growth or diversity, community engagement, curriculum or course design, and links to employers.

After clarifying the goals, a university is then able to see its gaps—how far it has to go to achieve its aims.

Step 2: Build the Strategy

The second step involves identifying what an institution will do to address its gaps and achieve its goals. We worked with Davidson College, for example, to establish four focus areas: improve the student experience, increase revenue, develop the future of liberal arts, and improve efficiency.

Equally important to determining what an institution will do is clarifying what it won't. These things could be out of bounds because the college or university feels it is too far afield or because it is outside its mission.

As we have worked with institutions in implementing this process, we have learned that this process performs well as a supplement to a traditional strategic plan. Traditional strategic plans, which typically last five years, are an example of deliberate strategy and provide long-term direction. These plans alone are insufficient for the fast pace of change in today's society. An innovation management process balances long-term planning with real-time strategy recalibration that has room for a healthy mix of deliberate and emergent strategy.

Whereas a five-year strategic plan is a compass and map that give you a bearing every few years, an innovation management process is akin to a GPS notifying the college or university when it is time to adjust course.

Step 3: Implement a Portfolio Approach

With clear goals and gaps identified and a clear sense of what the university will—and perhaps more importantly will not—do, it's time to start investing in innovation. But how does a university determine which innovations it should invest in to deliver on its strategy?

There are fortunately tools to manage the process. One tool we recommend is from Steven Wheelwright and Kim Clark's 1992 article, "[Creating Project Plans to Focus Product Development](#)." Called "aggregate project planning" (APP), it links an organization's intended strategy with the mechanisms through which resources are allocated across different types of projects.

The basic idea is that to achieve their goals, colleges and universities need to invest in different types of innovations, ranging from the routine improvement of a course to the more transformational launch of a new school or non-degree program designed for scale.

Understanding the mix of projects in which an organization needs to invest to realize its goals, as well as its organizational capacity to take on projects, is critical. From there, institutions can create a rhythm to surface innovative ideas from faculty, students, alumni and others, vet them, and then compare them on a regular basis to other similar types of ideas. For example, ideas that are routine improvements shouldn't be compared to those that are transformational in nature because they have completely different risk profiles and potential for impact.

In the paper, we describe a gating process to help institutions manage risk and decide where to invest—as well as a way to make sure colleges and universities have properly staffed new ideas. The basic idea follows the discovery-driven planning process.

First introduced by Rita Gunther McGrath, a professor at Columbia Business School, and Ian C. MacMillan, a professor at the Wharton School of the University of Pennsylvania, discovery-driven planning flips the conventional planning process on its head. In the standard planning process, you make a plan, look at the projected outcomes from the plan, and then, assuming those outcomes look desirable, you move forward with the next phase of implementation. The idea is to invest a little up front to learn a lot, and increase investment only as an innovation offers evidence that it will actually be successful.

This approach works well when you have tried something similar before or the innovation is familiar and proven. But if you are doing something radically different from anything you've done before and it feels unfamiliar and unpredictable with a low ratio of knowledge to hypotheses, you need a very

different process. The standard planning process won't work because the assumptions, both implicit and explicit, on which the projected outcomes rest are often wrong. The key to success will instead often be the ability to test hypotheses and continue to iterate on plans as you gain more information.

A discovery-driven planning process follows these four steps:

Step 1: List desired outcomes.

Step 2: Determine what assumptions must prove true for outcomes to be realized.

Step 3: Implement a plan to learn whether the critical assumptions are reasonable.

Step 4: Implement the strategy when key assumptions prove true.

The idea is to test big assumptions on which the success of a plan hangs as cheaply and quickly as possible to mitigate risk. Fast failure that doesn't cost a lot or expend a lot of political capital is a success. And it allows you to iterate and refine a plan if there's still a viable path forward.

Innovation is a difficult and unpredictable process. But it is a process—and not simply an event—that universities can manage to drive better outcomes. The rewards for doing so can be significant, with the opportunity to reduce costly failures, encourage more ideation, and grow an institution's impact long into the future.

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