

## **Article on the UCE Business Development Strategy**

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### **Background and rationale for the business expansion strategy**

The Council on Higher Education's (CHE) directive requires all public universities to centralise the management and administration of the development and delivery of their continuing education products and services at the institutional level. As a result, the North West University's (NWU) Unit for Continuing Education (UCE) was established as a centralised unit. Heretofore, the management and administration of the development and delivery of continuing education products and services was located in different faculties. Each had its own and separate faculty-specific business development management approach, policy implementation practices, institutional arrangements and human resources capacity support. The directive of the CHE was motivated by a strong desire for improved and appropriate regulatory compliance and quality assurance of continuing education offerings by universities.

At the systemic level, there was a need for Council to ensure appropriate regulatory compliance to instil confidence in the Regulator to protect and safeguard the NWU's operating licence. Building a strong reputation as an institution which places high value on regulatory compliance, goes a long way in developing a solid relationship with the Regulators. This relationship is based on trust and thereby discourages potential overzealousness and invasiveness. There was thus a need to speed up and intensify the process of the centralisation of the UCE as a consequence of both an appropriate regulatory compliance imperative and a strategic business decision. As a third income stream generation mechanism, it is designed to mitigate the ever-declining state subsidies, resulting from a loss of income.

The old Short Learning Programmes Policy which has since been replaced by the Continuing Education (CE) policy, including the Strategic Plan and relevant APP's KRAs, KPIs and targets, was the only integrating policy and business strategy mechanism that applied across all faculties. The CHE directive gave the NWU Council an opportunity to pause and to rethink. It directed that a revised, common and overarching approach and business strategy had to be conceptualised and implemented to grow the UCE to become a successful business unit by achieving sustained profitability. As already alluded to above, part of Council's decision was to use a revamped, modernised and profitable UCE to mitigate the loss of income as a result of the ever-declining government support subsidies to universities.

The first objective of Council was to create a centralised institutional structure to perform shared services, provide technical co-ordination support services to faculties and to drive and champion the growth of the continuing education business to become a sustainable and profitable business. This would entail putting into place an appropriate UCE organising logic and appointing suitably qualified and talented staff to perform relevant and shared services to the university-wide faculty community. The second objective was to direct that common and whole-institution-based policy support capacity and the necessary institutional arrangements be defined and articulated to inform institution-wide continuing education operations. Therefore, Council's commitment to success and excellence resonated well with a common institutional aspiration for the UCE's re-positioning for improved growth and profitability.

### **Conceptual premise for the Intensive Growth Strategy for the multi-purpose UCE**

The key and fundamental policy support capacity instrument that Council required to be developed was the UCE business growth strategy. The purpose of the business development strategy is to document a well-defined and articulated business expansion and growth

strategy, strategic pillars and business model choices for the continuing education business of the university. The UCE is charged with this as its implementing agency. The business development strategy will provide a roadmap detailing what needs to be done and how to increase product offerings, introduce new services, expand into new additional markets and increase sales. It is designed to create a formal decision-making tool that focuses on how to grow and expand the continuing education business by increasing revenue generation levels to achieve profitability and fiscal sustainability. It therefore seeks to develop and implement a well-defined and articulated growth strategy that is designed to set a course for business expansion. This will propel the UCE along a developmental growth path capable of reforming and repositioning the UCE into organisational success and maturity.

The UCE business development strategy was developed internally by the UCE Business Development Director. It was then circulated across the university-wide stakeholder community for comments and suggestions for improvement. It was tabled at relevant governance structures for further refinement before recommended by Senate for approval by the university Council. The DVC-Teaching and Learning (T&L), within which the UCE is located, takes enormous pride in the fact that the UCE business development strategy was developed by NWU staff. This gave the UCE staff the opportunity to develop internal capacity for policy development, in line with the policy learning theory and discourages tendencies associated with policy borrowing.

The objective was to develop and put into place a type of business expansion strategy that was context-fit and that reflected the institutional culture and set-up of the NWU. This was done in recognition of the fact that any misalignment between the institutional culture and aspirations and the type of business growth strategy developed and implemented, was likely to make implementation ineffective and inefficient and thereby result in the collapse of the UCE growth project. Thus, rather than impose an externally-developed business expansion strategy on the NWU, we chose to follow the path of policy learning as opposed to policy borrowing.

In developing the business development strategy that would respond positively to Council's decision to grow the NWU's continuing education business, the UCE Business Development sub-unit have had to ask themselves two key questions: What is the purpose of the UCE and what do we want to use it for? Evidence from available research reveals that the business development strategy must be designed to purpose (Quartz et al., 2015: 23). It must be of such a nature that it can be developed and has the capacity to deliver on the purpose of the UCE. The current purpose of the UCE is that of a single-purpose unit which offers a single product line (i.e. university approved and registered short courses). It offers this single product line via a single-learning delivery modality that is face-to-face. We have had to re-purpose the UCE to be able to respond appropriately to the extended mandate of the NWU by delivering diversified products and services, using diversified learning delivery methodologies, to a varied target market and in a wider geographical area. Therefore, the revised and broad purpose of the UCE redefines it as a multi-purpose unit. It is envisaged that a multi-purpose UCE will produce increased revenue generation to achieve fiscal sustainability.

The next question that confronted us: was what type of a business strategy and business model would be appropriate to enable us to deliver to this purpose of growing and expanding the UCE to take it to the next level of success? Evidence from the research examined has revealed that different business development strategies have been developed to align with the purpose of a particular organisation (Quartz et al., 2015: 23-24; Dahl, 2018: 1-4). Therefore, careful examination and analysis were done of the different options for the type of a business development strategy capable of delivering on the broad purpose of the UCE.

The choice of a business strategy must be of the type that is built on the ideas of being fit-for-purpose. It must be located within and reflect the broader development agenda of the country. It must be capable of driving the repositioning and transformation of the UCE to bring about

organisational shift away from a traditional and old-fashioned approach that had a narrow focus on short courses as the only product line. The type of business strategy conceptualised must have the capacity to modernise and transform the UCE by growing it to become a multi-purpose centre and an organisation of scale.

The business strategy that seems appropriate to take the UCE to the next level of organisational success and maturity is the Intensive Growth Strategy. This type of strategy involves multiple interventions which align with the envisaged multi-purpose nature of the UCE.

### **Tenets of the UCE's Intensive Growth Strategy**

- The Intensive Growth Strategy would allow for multiple and a broad mix of products and services offered to a wide geographical market and using differentiated learning delivery methodologies to achieve economies of scale, which makes business sense for the NWU.
- The Intensive Growth Strategy conceptualised has a broad focus which will ensure that all UCE continuing education interventions reflect the aspirations of the socio-economic agenda of the country.
- The Strategy will enable the construction of a broad and modern vision for continuing education based on a flexible and multi-purpose approach capable of addressing the extended developmental periphery of the NWU.
- The Strategy will seek to cater for varied participant needs, which include those who want to enter into or start a new career, those who want to embark on further learning or branch into a different career and those who might have been retrenched or had left formal employment for different reasons, to re-enter the job market.
- The catchwords for the Intensive Growth Strategy for successful business as demanded by the current and future socio-economic circumstances of the country and the financial health of universities are diversification and flexibilisation in terms of variations in products and services, learning delivery methodologies, target market and target participants and learners.

### **Business expansion strategic objectives**

The business expansion strategic objectives are to:

- Build, strengthen and continuously review for improvement the UCE organisational logic.
- Establish and continuously improve appropriate institutional arrangements to support and oversee the work of the UCE.
- Develop, sustain and continuously improve the quality and market relevant for differentiated short course products that address the lifelong learning needs of the industry, the labour market and the general communities.
- Initiate for implementation a suite of relevant services in line with the envisaged multi-purpose mandate of the UCE.
- Build and strengthen relationships with relevant stakeholders to create a presence to retain existing clients and find new ones.
- Continuously review differentiated learning delivery methodologies to offer quality learning that caters for the learning preferences of diverse target participants/learners.
- Ensure a strong research culture in all UCE work, thus backed by credible research outcomes.
- Increase revenue generation to achieve break-even and create adequate financial reserves to achieve fiscal sustainability.

### **UCE's business model choices**

The UCE's business model choices which will enable it to compete in the marketplace will be informed by a policy of diversification and high volumes as follows:

- Multiple quality products and services and high volumes to increase the customer base;
- Expand the pool of customers which will lead to large revenue stream;
- Heavy marketing and advertisement for brand, product and services marketing;
- High-powered incentives for academics to ensure buy-in and support; and
- Talented staff and continuous improvement of staff capabilities.

A handwritten signature in black ink, appearing to read 'J. Finney', is positioned to the left of the date.

12 March 2019