



Industry Focus
Higher Education

NEW GAME NEW RULES

The stark reality of a disrupted market and
how next-generation institutions are reacting

UNIT4

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THE STATE OF PLAY

Higher education today

Research shows higher education has transformed dramatically during the last decade into a more competitive market — yet universities have hardly changed.

With traditional strategies to close the cost-funding gap no longer working, some institutions are now investigating mergers and shared services. But even these face significant challenges.

Improving software is a priority across the sector as many institutions are using outdated IT systems and inflexible processes. As a result, many leaders lack financial transparency — they cannot evaluate the performance of courses, staff and administrative technology. And students say satisfaction ratings would skyrocket if their institution had a single, digital system to manage all admin.



Let's take a look at the global trends that are affecting every higher education institution >>>

NEW GAME

Industry megatrends

You're being forced to compete for students (both nationally and internationally), rigorously demonstrate your institution's value and find new economic models to do more with less. Amid the crisis of your new commercial world, service expectations are increasing.

1. A commercial market for earned income

Enrollments are down, competition is up. HE is a consumer-led market where non-traditional students (and equivalent learning models) are the new norm. Disruptive competitors are filling the gap.

2. New experience — your reputation in their hands

Ubiquitous wifi, web-enabled tools and everything-online. You have to be available anytime, anywhere through intuitive interfaces and chatbots. Students manage every aspect of their lives digitally. Their opinions are heard instantly; your reputation is in their hands. Do you know about artificial intelligence, virtual reality and digital assistants? They do.

3. Everyone's watching (and demanding more)

The focus on accountability and transparency has never been greater. Funding models are evolving to focus on outcomes. And you have to prove your worth through success indicators to regulators, accreditors and consumers.

4. New economic models, please

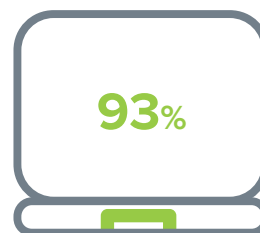
To survive, higher education institutions (HEIs) are upgrading the experience and investing in the future. Some are diversifying into new economic models. The smart ones are adapting processes and adopting new digital tools. Everyone's trying different strategies because the tried-and-tested ones are no longer holding true.

The question is: how will your future look?

Bottom line: catch up with changing trends, or get set for failure.



own a smartphone



own a laptop

Laptop and smart phone ownership of college-age people in the US, UK, Australia and New Zealand¹.

NEW RULES

Industry analysis

Research shows most HEIs have not yet caught up with the changes in their sector. Many leaders say they lack financial transparency and cite software improvements as a priority for boosting efficiency. Meanwhile, students are demanding a digital upgrade on campus. Here’s what the researchers, analysts and experts are saying about higher education.

Competitive market for earned income

Higher education has changed beyond recognition since 2009 from a “centrally funded, planned and protected” sector to a “competitive market for earned income” from students and business. The problem is, universities themselves have actually changed “remarkably little” over these years. A “significant reshaping” of the HE sector is imminent, and institutional leadership teams are feeling “distinctly beleaguered and uncertain” of the outlook².

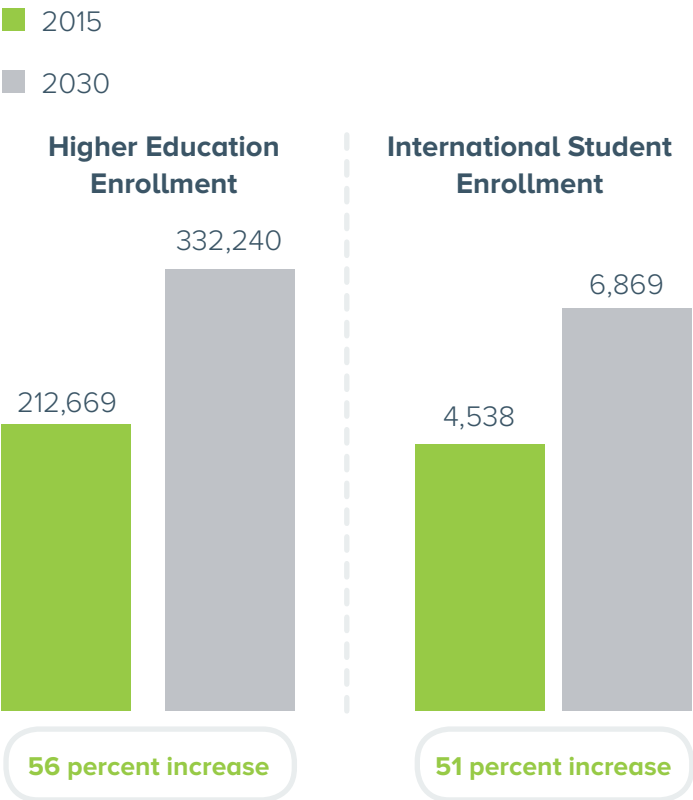
Outdated IT, inflexible processes

There are some concerns over “outdated IT systems and inflexible processes,” as one in three are looking to efficiency gains from their administrative operations, with investments in improved IT systems identified as “priorities across the sector².”

Limited financial transparency

The financial stability of higher education is “under significant strain” as HEIs find themselves with an increasing cost base while struggling to adapt to change in a global marketplace. HEIs are urged to develop a “robust financial model” for the new, commercial future, but: “many universities do not actually have a transparent organization-wide view of their costs and whether they are truly aligned to strategic goals...We believe institutions can no longer afford to operate in this way³.”

Almost 120 million more students in higher education and 2.3 million more internationally mobile students by 2030.



Global student enrollment (thousands)⁴

No data to assess performance

More than half of institutions do not have the data and other information they need to make informed decisions about performance. Four out of ten chief business officers (CBOs) don't have the data to evaluate the performance of courses, staff and administrative technology⁵.

Mergers and shared services

More HEIs are having “serious talks” about merging with another college or university. More than a quarter have had “serious discussions” about consolidating programs or services, and half believe they should combine administrative functions or academic programs. The majority of these (four out of five) see the primary benefits as a reduction in expenses while two out of five believe it will take the institution to “the next level” in terms of enrollment⁵.

Age-old strategies not working

Increasing enrollment is still the top strategy for generating revenue, but tactics to achieve this are beginning to show signs of failure — while more than 80 percent of HEIs increased enrollment in 2015 and 2016, it's been closer to 70 percent in 2017/18. Many are compensating by moving toward more shared services with reduced admin roles and better utilization of enterprise systems⁵.

Digitalization, the new qualifier

A recent study shows that one third of students feel there's too much campus-life paperwork. The same proportion think the complexity of admin is keeping them from their studies. Three quarters think their university should review and upgrade its digital strategy. Eighty percent would be more satisfied if their institution had a single, digital system to manage all admin. And an overwhelming majority want a single app to access services from any device⁶.



**73% OF STUDENTS RECOMMEND
THEIR UNIVERSITY REVIEW AND CHANGE ITS DIGITAL STRATEGY**

A third of students feel there is too much paperwork
and get frustrated with the amount and complexity of admin.
Students are currently least satisfied with:

- | | | |
|---------------------------------|--|-------------------------|
| 1 Managing financial aid | 3 Communicating with faculty advisors | 5 Paying tuition |
| 2 Course transfers | 4 Managing academic progress & coursework | 6 Admission |



41%

would be more likely to recommend their university
if digital interaction was better

36%

Believe they spend
less time studying
because admin
is so complex

47%

Expect student
administration to be
easier to manage
given the fee
They pay

41%

Would have a better
experience if they
could interact more
digitally with
their institution

Results reveal a ranking of how easy it is
for students to manage different areas of their lives digitally:

- | | | |
|------------------------------|-----------------------------------|--------------------------|
| 1 Online Shopping | 3 Social life/social media | 5 Travel |
| 2 Entertainment/music | 4 Finances/banking | 6 University life |



8/10

would be more satisfied if their university
implemented a single digital system to manage
all of their administration



87%

want a single app/web application accessible
from any device

UNIT4

Key findings from a Unit4-commissioned study by DJS Research⁶

**Successful HEIs are responding to
these changes in the same ways >>>**

TIME FOR A NEW PLAYBOOK

Strategic responses

In response to these trends, leading HEIs are reacting in the same key ways: serving students as customers and supporting them throughout their entire journey, better managing people, finances and data; and streamlining research administration.

1. Serving students as customers

HEIs need to grow, and forward-looking institutions are now rethinking how they recruit students, what they offer to them and how they retain them as customers. Driven by the need to compete and increase enrollments, they are reinventing how they attract and admit more of their best-fit students for available courses, while updating their academic offerings to attract non-traditional students.

2. Supporting students throughout their journey

Student centricity is paramount and every institution is driven by the need to boost student success. The best HEIs are digitally upgrading the way students interact with them from recruitment and past graduation, even identifying and intervening with at-risk students. These institutions have the tools and visibility of student activities at hand to help them stay on track toward degree completion and employment. In doing so, retention and graduation rates are boosted.

3. Better managing people, finances and data

Driven by the need to improve institutional effectiveness in a changing marketplace, HEIs need the best from their people, finances and data. Better management of human capital reduces turnover of highly skilled staff. Decisions informed by accurate, up-to-date data are more reliable; sound financial management and real-time business intelligence drives efficiency. Demonstrating success and compliance with reporting on key indicators and metrics to stakeholders and regulators equals better accountability and transparency.

4. Streamlining research program administration

Many HEIs want to deliver research excellence. The drivers here are maximizing bid success rates, streamlining post-award management and controlling project costs while minimizing the costs involved in overall research program administration and project management.



Amount of time spent on administrative duties⁷

But there are barriers to achieving the positive outcomes from these responses >>>

WINNING THROUGH

Overcoming the barriers to success

The barriers to continuing success are already numerous (and growing). Given excess capacity in the marketplace, many of these barriers are pushing more HEIs to merge, or close.

But it doesn't have to be that way

There is a way forward, but we first need to acknowledge the elephant in the room — it's time to focus on the barrier that has rapidly become the major underlying threat to HEIs' success, and even their future.

Outdated IT, inflexible processes

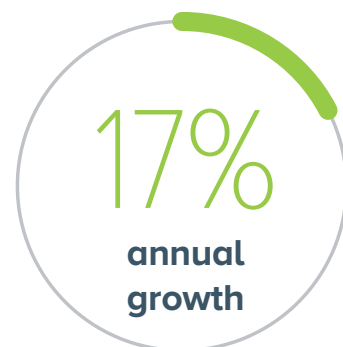
Legacy HE systems are not fit for purpose — they're poorly designed, out of date and disconnected. Collectively, they are weak, inflexible and error-prone, and, while implemented with good intentions, they create a barrier to student and staff progression. This situation is costing HEIs time and money, KPIs are in decline and reputations are suffering.

This makes it increasingly expensive, time-consuming and difficult to:

1. accommodate new academic and economic models
2. assess success, evaluate performance and analyze metrics to see where improvements can be made
3. communicate with students (the way they do with other businesses) by not being able to make use of emerging technologies
4. maintain compliance excellence with increased scrutiny, changing regulations and more demands for success metrics

5. manage the complexities of the entire research funding process
6. attract, manage and retain the best staff
7. optimize resources in faculties

But this cloud does have a silver lining. The solution to this barrier does exist, and it's already in widespread use, with hundreds of forward-looking institutions reaping the benefits and making the lives of students and staff across the world so much better.



Value and growth of the global EdTech market⁸.

So, what's the answer? >>>

GAME-CHANGING SOLUTIONS

Smarter, joined-up working

Our response to these trends, barriers and strategic responses is an integrated solution suite for joined-up management across the back and front office.

Unit4 Student Management enables your institution to automate the entire student lifecycle. Our SIS solution supports your processes for admissions, academics, financial aid, billing, communications analytics & reporting and system management.

Unit4 Business World is an enterprise application which supports your back- and front-office finance, budgets, projects, HR and payroll, estates and asset management.

Unit4 Prevero is a corporate performance management and business intelligence application that gives your finance department everything it needs to analyze, predict and improve performance.

Unit4 Research Management lets you automate research administration, giving you reliable, real-time data for finances and funding management.

All these solutions harness the **Unit4 People Platform**, which draws the products together into a seamless solution with the built-in flexibility to adapt easily to ongoing change.

To enable faster implementation and a shorter time-to-value, we also offer a range of **Value Accelerators**, while strong service offerings and proactive support ensure continuous value optimization.

What next?

To find out more about our response to all the changes in your world, get the product focus brochure for Unit4 Student Management, *SMARTER SOFTWARE, SMARTER STUDENTS: A new-generation student management system for the next generation of institutions* which covers the capabilities, business results and credibility of our core SIS product.

FURTHER READING

Industry research and data

¹ A 2018 survey by UNiDAYS and Ad Age, [*MEET GEN Z*](#).

² PA consulting's 2018 survey of UK vice-chancellors in the UK, [*Forecasts of storms: University heads' outlook for UK higher education*](#).

³ PwC white paper, [*Align in Higher Education - financial stability in uncertain times*](#).

⁴ Studyportals / UNESCO Institute of Statistics, Envisioning Pathways to 2030: [*Megatrends shaping the future of global higher education and international student mobility*](#).

⁵ Survey of chief business officers in the US, [*2018 Survey of College and University Business Officers - A study by Inside Higher Ed and Gallup*](#).

⁶ DJS education market research, [*The majority of students want universities to review their digital strategies*](#).

⁷ PwC, [*The 2018 university: How prepared are you?*](#)

⁸ PwC, 2018, [*HE Matters, Technology*](#).



About Unit4

Unit4 is in business for people. We've specialized in software for service organizations, where people make the difference, since the early 1980s. Today, we build the smartest enterprise applications on the planet. Our technology is central to the organizations we serve – it improves efficiency and productivity, and allows people to spend more time on meaningful work. Using the latest AI, machine learning and digital technologies, our customers can make more sense of business-critical data than ever before. Our cloud ERP, financial management, corporate performance management and industry-focused solutions generate rapid value in the strategic processes of organizations from sectors including professional services, higher education, public services and not-for-profit – helping each person to create better value for themselves, their organization and their customers.

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