Introduction

Universities are special entities. Their top management usually includes very bright people. Universities recognise that the environment in which they operate has changed greatly. Recently, a Vice-Chancellor spoke of the rapid change from admissions and selection, to recruitment, to what now feels like sales. The speed of change means that universities have found it hard to develop the right capabilities to manage in their changed situation. When university leaders plan their institutions futures, their strategic decision-making processes are often weak in use of rationality, data and analysis, and strongly influenced by intuition. This often leads to poor planning, with resources allocated to the wrong areas, resulting in areas of high potential revenue being under-resourced, with subsequent declines in quality, while other areas are given too much, resulting in staff underemployment. This applies particularly to student recruitment and teaching. Worse, in times (like now in the UK) when overall demand for higher education falls for demographic reasons, many universities have not taken this into account in their planning, continuing to expand, when evidence of declining demand has been around since the birth of statistics two decades ago. Further, many universities have weak knowledge of their catchment areas and of which other universities compete for their business. This is in contrast with some – but not all – further education colleges, who have had to meet the challenge of financial viability for much longer and have developed better processes for doing so.

The causes of problems

Senior university management who confuse their excellence in research and teaching with good strategic leadership and management can become self-satisfied and internally focused in their planning, producing grand strategic plans which are not properly challenged and fail to use business disciplines in planning or execution. They open themselves to new competition and fail to address issues of quality or resource allocation to meet demand. Some believe that adopting what industry would consider very basic quality principles, product (aka course design) processes and marketing strategies will lead to improved recruitment and higher student perceptions of quality. They are wrong. Evidence of problems is often denied or even not received by senior management, or its significance called into question.
Senior managers make little attempt to identify which competitors plan and deliver well and achieve good results and which are weak and should be targeted. Strategic focus is generally weak and diffused, so even if an issue is understood, strategies and resources are not concentrated on removing a weakness or capitalising on a strength.

For some universities, these behaviours have led to below-target student recruitment, higher student attrition, cost/budget overruns, financial crises and redundancies. Some top UK universities, many of which are coping with the demographic dip by reducing grades, aggressive marketing and offering incentives to meet their recruitment targets, have no real idea how this will affect their student body and how they will appear in increasingly important sets of performance and ranking tables.

**Resolving the problems**

The solution to the problem is twofold. The first part, not the main subject of this article, is to use strategic decision-making processes that are realistic, tough, and challenged and based on proper data and proper analysis. The second is to have in place the data, analyses, interpretation, measurement and feedback required to support these professional strategic decision-making processes. Neither of these requires spending a lot of money, but both require a deep scepticism about relying on heritage or past practice.

Most universities need a much better data capability, akin to the capabilities of large private sector companies, that compete to win and keep customers, at the heart of both their strategic decision-making processes, and of their making and implementing of tactical decisions in marketing, student acquisition and retention, and quality management. University leaders must recognise that they cannot acquire this capability overnight. Private sector experience is that it takes years to develop, with external suppliers required to inject the appropriate expertise, into everything from identifying data requirements or acquiring and analysing data to developing a long-term data plan to support decision-making and implementation.

In developing decision-making and data acquisition and use, many trade-offs are needed, but most universities do not have the skills and experience even to identify the trade-offs (e.g. between expenditure on advertising and on data), let alone to make them. Failing to make informed and conscious trade-offs between short-term needs and long-term ambitions is a central risk that often causes failure.

Universities must build data-led models for student acquisition, retention and quality management. For acquisition, universities must use data to understand demand for the courses that they offer, what their catchment areas are, and how demand and the supply of students is changing in those areas. Catchment areas can be changed, but it can take time to change domestic catchment by changing perceptions of candidates, careers teachers, parents, media and the many others who influence student decisions. Large increases in recruitment of overseas students brings its own challenges of quality and reputational risk, as well as requiring a change in the approach to teaching and learning. Universities must also use the data to understand their own success in delivering the promises that they made to students.
The required data capability requires people who are strong in data science and market analysis, supported by platforms and systems. Without the former, the latter are no use. Once a strong data capability is in place, a university can develop a realistic plan and portfolio of courses to match demand and meet competition, based on data and analysis and evidence of demand rather than prejudice and gut-feel. Of course, local knowledge and experience have their role in this, but alongside data and analysis, not instead of it. The data and analysis capability should be at the heart of a university's strategic decision-making process and tactical implementation, with regular and deep evaluation of whether decisions made through the process have in fact been implemented and what the results were. Some university leaders tend to believe that what they see in planning documents is reality. They are often wrong, at great cost to their staff and students.

**About the authors**

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Andrew is the Co-Founder of dataHE, which specialises in helping universities user data better in recruitment, portfolio management and data capability. He was, until earlier this year, Director of Customer Experience and Marketing at UCAS, where he worked closely with Higher Education Providers, schools and students, in particular on understanding applicant behaviour and university recruitment performance. He has a deep understanding of data in marketing. In his career as a strategic consultant, he has helped many leadership teams and their organisations improve business performance. His work has included highly regulated markets, consumer protection, and regulatory development.

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Merlin is Professor of Marketing and Strategy at St Mary's University, Twickenham. He has spent most of his professional life as a manager and consultant specialising in customer relationship management systems, data and strategies, or as an academic teacher, researcher and manager, often combining the two. His current research focuses on the use of systems and data in business, the role of information platforms in business model innovation (in areas such as transport, retailing, managing older adults, IT, financial services and higher and further education), the management of higher education and the role of information technology analysts in influencing businesses and universities. He has written 40+ books and reports and 120+ academic articles on his research.