



# **THE RELATIONSHIP BETWEEN BUSINESS SCHOOLS AND UNIVERSITIES: Markets, relevance, impact**

---

Association of Business Schools Annual  
Conference, 10 November 2014

Paul Woodgates  
PA Consulting Group

## Six irreversible changes to UK higher education

---

1. Government no longer funds providers, nor manages supply side
2. Universities must earn their living from tuition fees and other services
3. Students are paying customers for HE services, not selected beneficiaries
4. Universities are competing with growing range of post-secondary education options
5. Students, parents and employers are questioning value of traditional higher education
6. Technologies and providers define environment for accessing and sharing knowledge

## The old order has been over-turned

SHIFTS	RECENT TRENDS	FUTURE UNCERTAINTIES
From planning to competitive uncertainty	Increased competition, changes in student funding and number controls	Uncertain demand, fierce international competition, uncertainty over future funding and regulatory system?
From peer-assessed research to impact and relevance	REF, focus on impact, economic growth and large scale research partnerships	Cuts to research funding, more research concentration, demonstrable impact?
From regulatory compliance to risk management	Regulatory protection reduced, new providers approved, stronger visa controls	Regulation of risks to students and Exchequer, HEI stake in student outcomes, continued visa restrictions?
From public services to social businesses	Funding for public priorities re. WP, STEM, localism, etc, HEIs as policy agents	Post-public HE, social enterprise, public values challenged?

## Quote for the day

“

*The railroads did not stop growing because the need for passenger and freight transportation declined. That grew. The railroads are in trouble today not because that need was filled by others (cars, trucks, airplanes, and even telephones) but because it was not filled by the railroads themselves. They let others take customers away from them because they assumed themselves to be in the railroad business rather than in the transportation business.*

”

Theodore Levitt, “Marketing Myopia”, HBR 1960

## Wind forward: how do we avoid *this* scenario?

“

*The universities did not stop growing because the need for higher education declined. That grew. The universities are in trouble today not because that need was filled by others (private providers, web-based services, even self-help groups) but because it was not filled by the universities themselves. They let others take customers away from them because they assumed themselves to be in the university business rather than in the purposeful learning business.*

”

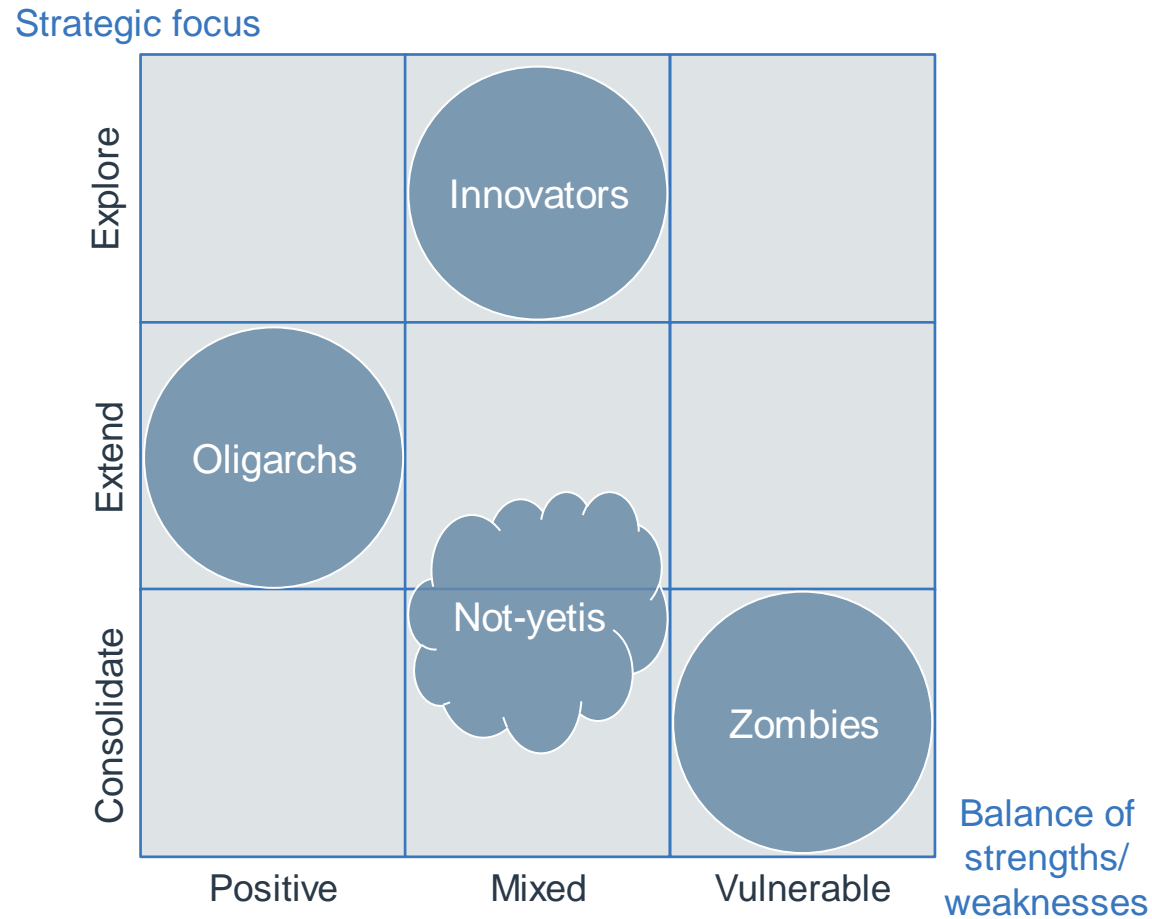
? Marketing Myopia Revisited, 2024 ?

## Is Universities' self image at odds with the world they serve?

---

- HEIs conceive themselves as in the **university business**, defined in terms that have changed little in 100 years
- Meanwhile, the rest of the world has moved on to the **purposeful learning and problem solving business**
- Students are still assumed to be in the “**going to university**” market, when in practice most are in the “**preparing for 21<sup>st</sup> century life**” market
- The biggest threat to universities is not funding, or competition, or technology but **irrelevance to a changed world**

## How can universities (and business schools) respond?



## Where do Business Schools fit into the HE landscape?

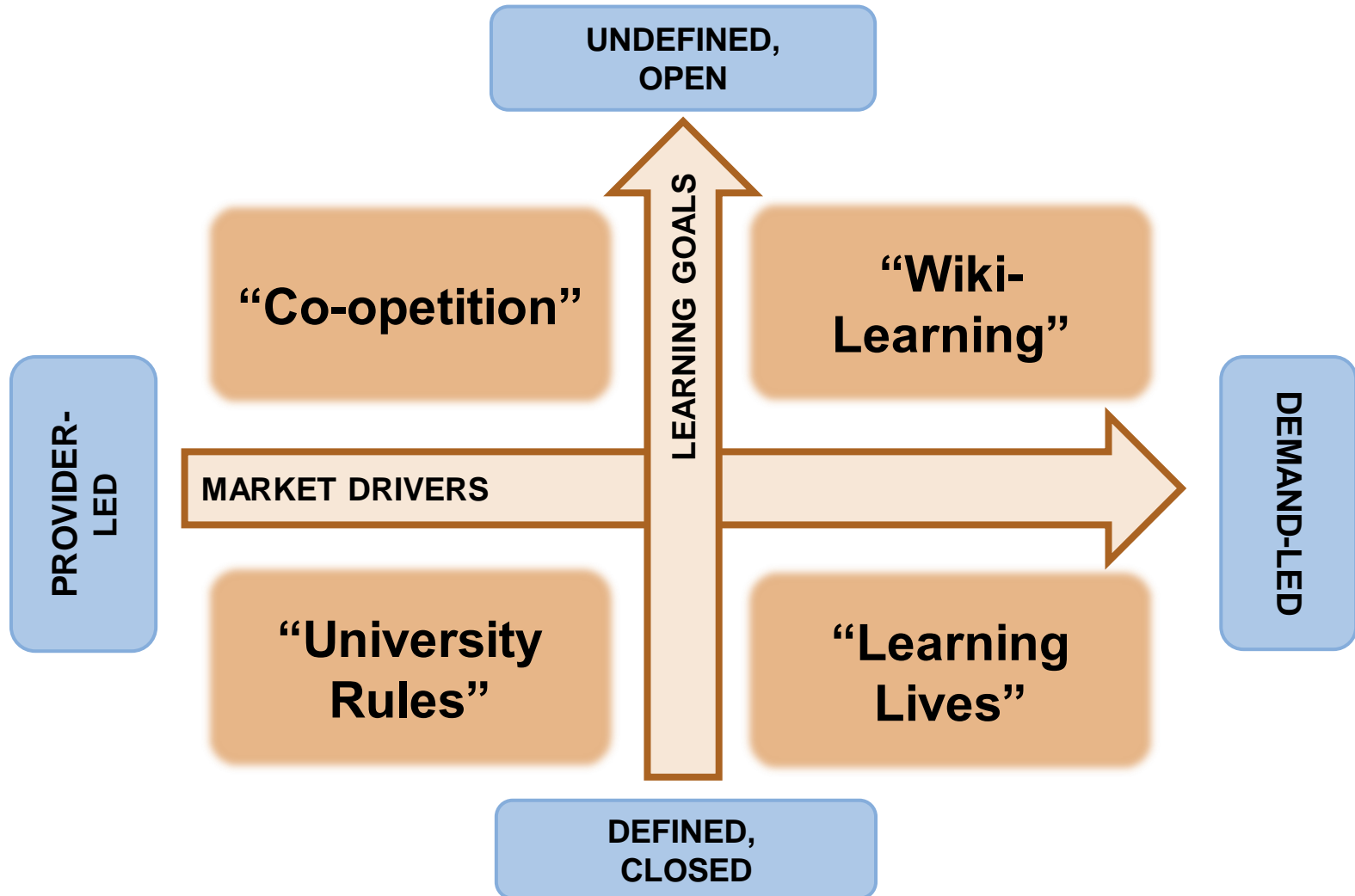
---

- “New comers” on the HE scene, often seen as outside the mainstream
- Commercial focus – demand-driven, student-centred, professional
- Insulation from worst impact of government policy on fees, student number controls and research
- Rest of the sector is now looking at the approach Business Schools have taken

As Business Schools tackle their own strategic imperatives, does the change in the HE landscape present an opportunity?



## Options for the future



## What could that mean in practice?

---

Cross-disciplinarity

Relevant curricula

Engagement with  
the wider world

Problem-based  
learning models

Blended learning

*Examples?*



**INNOOMNIA**

**G A Z E L L E**

Paul Woodgates  
Head of Services to the Education Sector  
PA Consulting Group

+44 207 881 3597

[paul.woodgates@paconsulting.com](mailto:paul.woodgates@paconsulting.com)

[www.paconsulting.com/education](http://www.paconsulting.com/education)

**Corporate headquarters**  
123 Buckingham Palace Road  
London SW1W 9SR  
United Kingdom  
Tel: +44 20 7730 9000

[paconsulting.com](http://paconsulting.com)