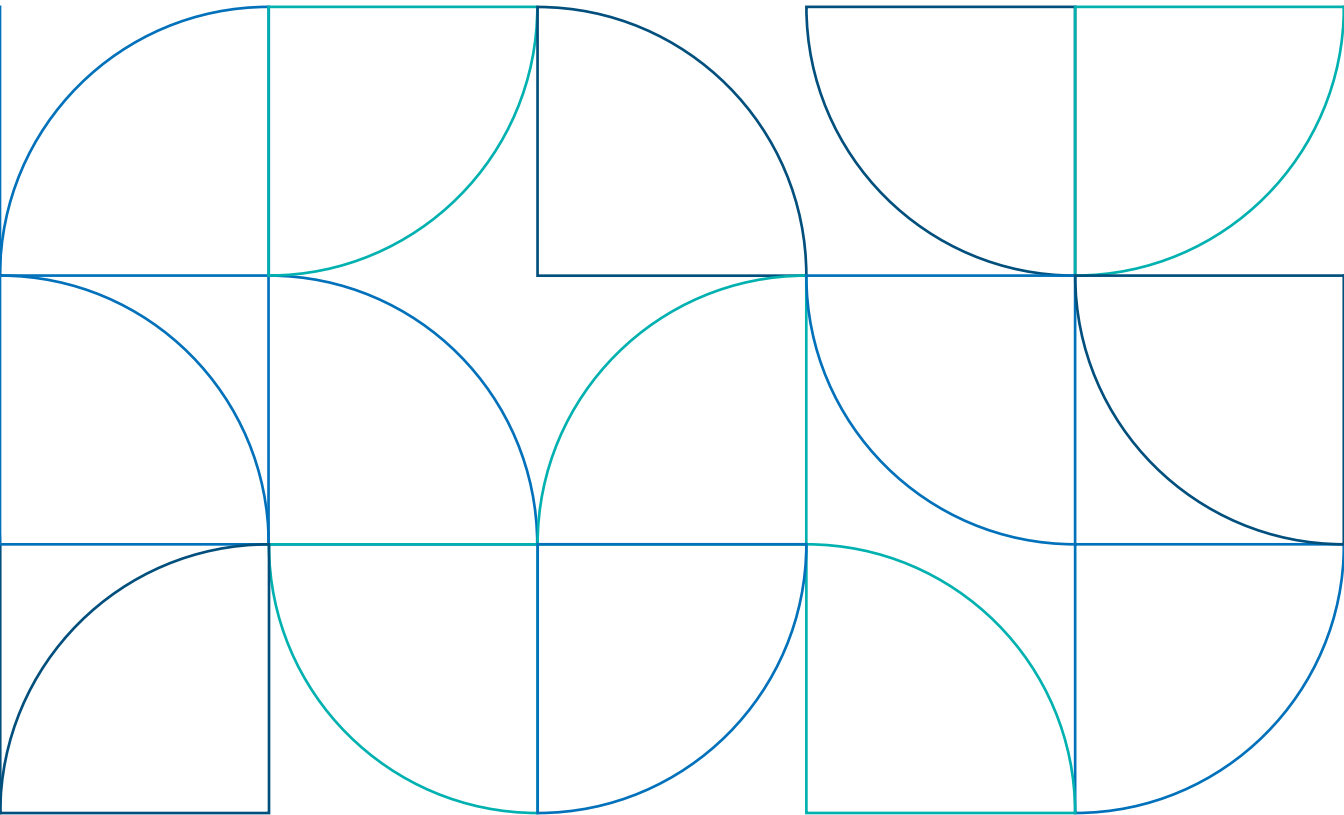




RESEARCH BRIEFING

Dynamic Strategy

A briefing for higher education leaders on embedding rigour, agility, and accountability into strategic planning



Dynamic Strategy

A briefing for higher education leaders on embedding rigour, agility, and accountability into strategic planning

As competitive boundaries shift and student preferences evolve, the traditional model of strategic planning that results in a static, 'sits on the shelf' document every five years is no longer sufficient.

Instead, sophisticated leadership teams are pursuing (and governing bodies are insisting on) a more active and market-responsive approach that EAB calls Dynamic Strategy.

This framework for guiding campus decisions requires rigorous scenario planning, principled differentiation from competitors, and the ability to revise priorities and reallocate resources quickly.

Read on to learn why EAB believes the time is now to adopt Dynamic Strategy and review the eight competencies for bringing it to life.

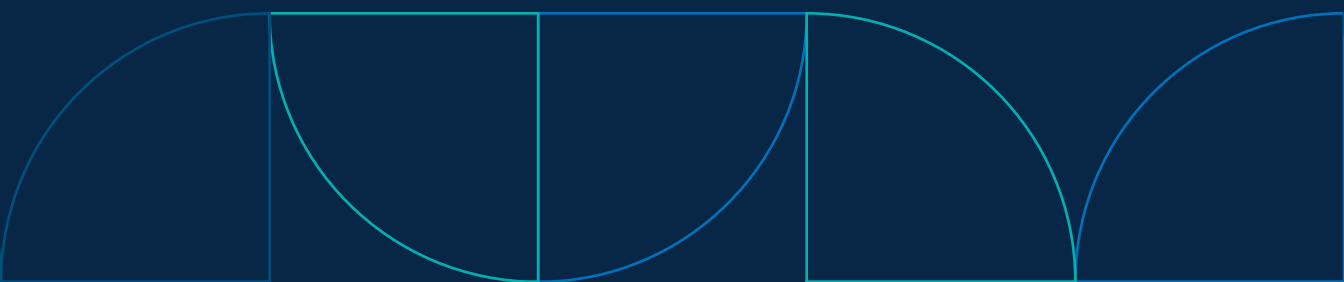
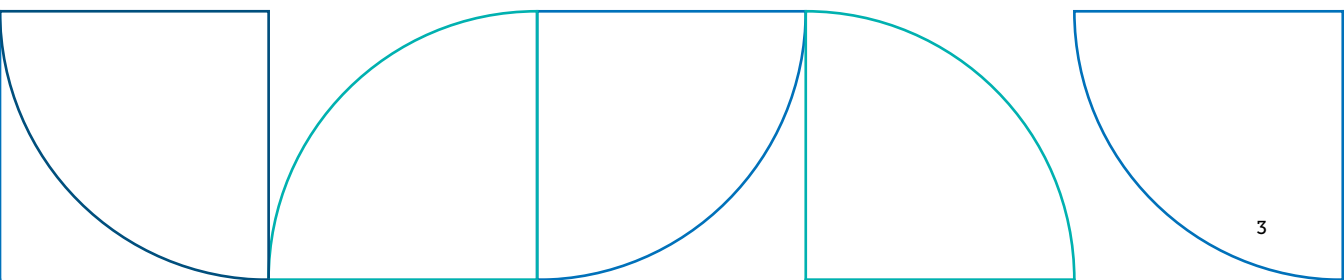


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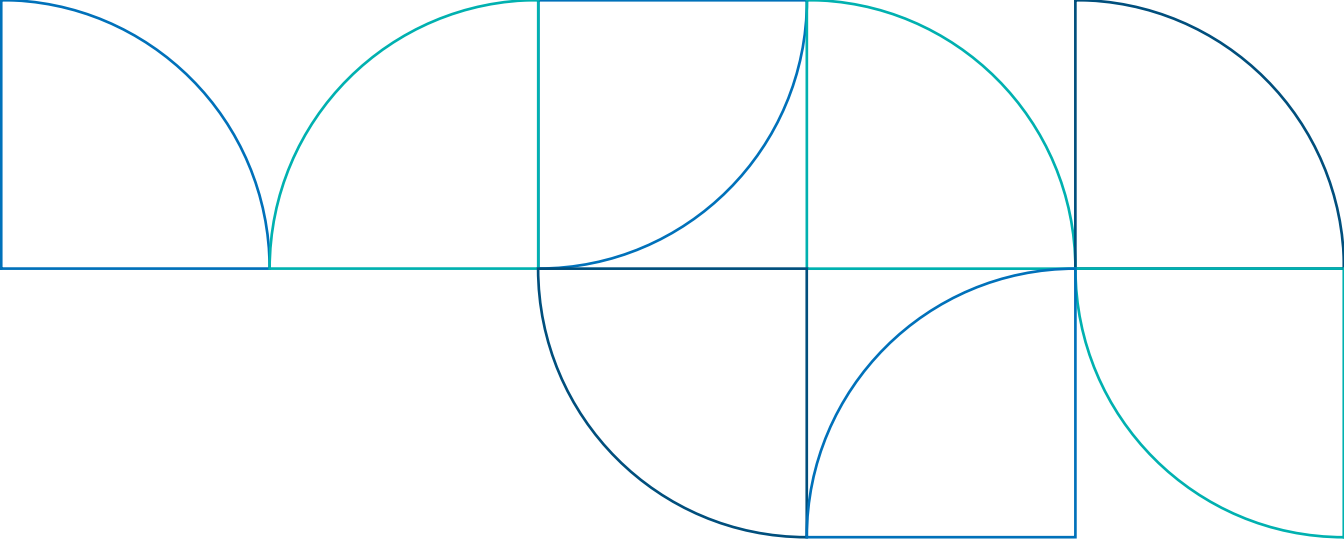
Distinguishing Strategy from the Strategic Plan—and Why That Matters

Higher education leaders often use the terms ‘Strategy’, ‘Strategic Planning’, and ‘Strategic Plan’ inexactly and interchangeably. A Vice Chancellor who says she is in the middle of a strategic plan might be drafting a presentation for boards or accreditors, working on multiyear budgets, revising enrolment forecasts, or overseeing a refresh of the academic portfolio.

These terms are not equivalent, however, and their distinctions go far beyond semantics. The chart below outlines the different analytical inputs and outputs. Blur their boundaries, and you’re at risk of misallocating strategy team efforts. Institutions must not over-invest in writing (and rewriting) the plan at the expense of the analysis and debate that feeds into strategy formation and execution.

Defining Commonly Misapplied Terms in Strategy Articulation

Mission	Strategy
<p>The reason the institution exists; the people we benefit and the good we do</p> <p><i>Emotional Logic</i></p> <p>Why do we do what we do; why we come to work</p> <p>Aspirational and timeless—doesn’t refer to current market conditions</p> <p>Doesn’t need to be unique; institutions <i>should</i> have similar missions</p>	<p>Roadmap laying out where to compete and how to succeed</p> <p><i>Economic Logic</i></p> <p>Which students to serve through which academic offerings and support services</p> <p>Need not be aspirational, but must be distinctive</p> <p>Explains how you are <i>unlike</i> others, and how comparative advantages will enable you to outperform competitors</p>



Strategic Planning

Detailed project plans translating strategic intent into action

Economic Logic

Multiyear budgets, delivery milestones, and accountability measures

Prosaic, visible, trackable, and consequential to front-line units

Institution-specific and granular; outsiders might not understand

Strategic Plan

Public document presenting upbeat goals to broad range of stakeholders

Emotional Logic

Affirms institutional values and traditions by highlighting next-decade initiatives

Aspirational, but contemporary; paints future vision

Consensus language leads to goals that sound identical to competitors

Don't Let Writing Your Strategic Plan Crowd Out Strategy

It's not our purpose here to argue that writing the strategic plan is unimportant or undeserving of time and resources. Most institutions should produce the best new plan possible when it's prudent to do so—as a branding, recruiting, and fundraising tool, and as an occasion for listening to stakeholder voices.

Our point is that the traditional processes and cultural considerations in writing the strategic plan tend to dilute, rather than sharpen, strategic clarity. In the usual paradigm, institutions empanel strategy teams every five years to draft the next plan, devoting much of their available time to soliciting input from campus stakeholders.

This document undergoes countless iterations and edits for consensus language that maximises buy-in for the institution's trajectory. Such hyper-inclusivity is characteristic of higher education—and while beneficial for collegiality, it tends to lead to outputs that work against the rigour and responsiveness of best-in-class strategy, as outlined to the right.

Inclusive, Long-Range Visioning Tends to Produce Anodyne Results

Traditional Strategic Plans Are:	And Produce Strategy That Is:
Episodic Major effort every 5 years	Static Rarely updated as market conditions change
Inwardly-Focused Foreground institutional traditions and past performance	Incremental Strives to 'do same things but better' rather than inflect competitive position
High-Level Lowest-common-denominator declarations of educational values	Undifferentiated No different from what competitors say about themselves
Representational Strive to reflect suggestions of every constituency consulted	Unprioritized 'Initiative creep' wish lists that the institution can't fully fund
Focused on Ends, Not Means Describes vision without detailing cost, organisational, or process changes	Hard to Set in Motion Front-line staff lack tools, expertise, and incentives to implement strategy

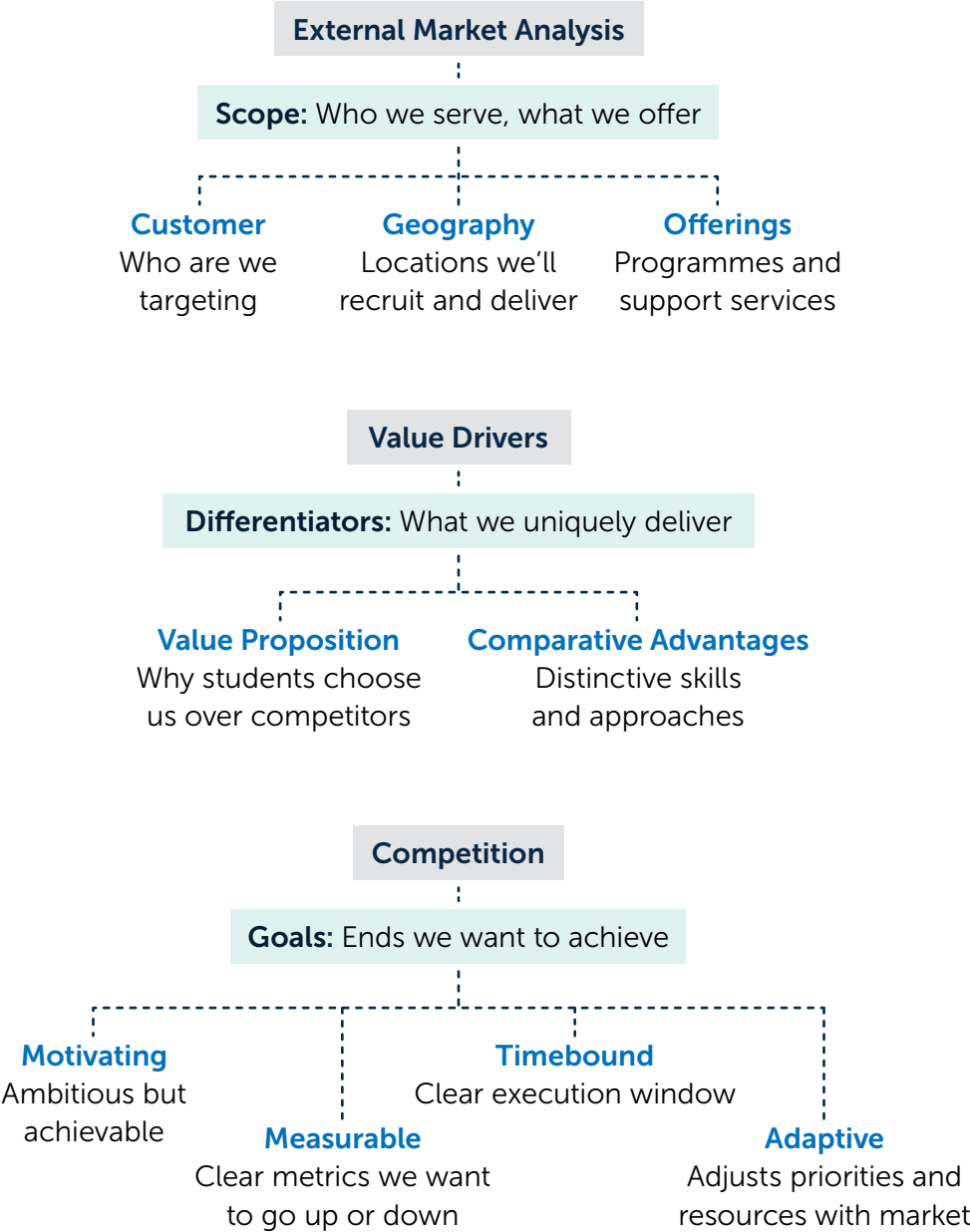
Dynamic Strategy: Grounding Strategy in Ever-Evolving Market Realities

Instead of pouring the bulk of strategic efforts into a one-time, static output, EAB advocates for a more active and market-responsive approach we call 'dynamic strategy'. Dynamic strategy prompts leaders to ask and answer existential questions at the intersection of external market forces and internal strengths and characteristics such as, 'Why would a student choose us over competitors?'

Accordingly, strategy formation starts with rigorous, unsentimental assumptions about the external market in which the institution operates. Only after establishing these foundational assumptions should strategy teams conduct analyses that are internally focused.

Said another way, the goal of dynamic strategy is clarity—specific, well-reasoned commitments that guide institutional decision-making. Many of these choices can be emotionally difficult, requiring re-evaluation of the uniqueness or viability of traditional activities. In dynamic strategy, decisions about concrete choices and trade-offs are non-negotiable.

Dynamic Strategy Demands Concrete Choices and Trade-Offs in Defining The Scope, Differentiators, and Goals of the Institution



Focus Efforts on Building Dynamic Strategy Competencies

Institutions that have made the leap to dynamic strategy have found it necessary to reapportion how they spend their time across the strategic planning process. They see the strategic plan itself as but one component of a suite of complementary tools for improving understanding and buy-in for strategic priorities and equipping students, staff, and alumni to be effective brand managers.

Rigorous Strategy Formation

Foundational activities to surface and prioritise competitive imperatives



Build Dynamic External Market Scenarios



Differentiate Your Value Proposition



Define 5–10 Year Vision and SMART Performance Targets



Prioritise Strategic Imperatives

EAB has identified eight competencies inherent to dynamic strategy that campuses must develop to overcome the pitfalls of periodic, stakeholder-driven planning cycles. Whether you are currently in the middle of a strategic planning process or simply want to infuse additional rigour into your workflow, the eight competencies listed below and highlighted across the rest of this briefing can help your institution move confidently into the future.

Dial-Moving Execution

Implementation-focused activities designed to ensure timely progress against goals



**Scope and Model
Strategic Initiatives**



**Align the Resource Allocation
Model with Strategic Priorities**

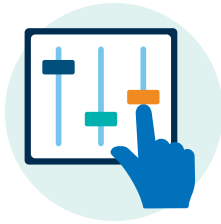


**Embed Accountability in Unit
Action Plans and Reporting**



**Create Strategy Explainers and
Social Media Message Amplifiers**

1 Build Dynamic External Market Scenarios



Conventional strategic planning approaches foreground introspective questions about ‘how to make ourselves better’ rather than first considering external opportunities and threats or revisiting assumptions underlying strategic bets as conditions change.

In a dynamic strategy approach, institutions should begin strategy formation by creating dynamic external market scenarios. These scenarios feature assumptions about the magnitude and rate of approach of key market forces, developed through four complementary activities highlighted on the right.

Building and grappling with these scenarios enables institutional agility—the ability to make informed strategy pivots quickly, without having to redo the planning process from scratch.

Elements of Dynamic External Market Scenarios

Articulating explicit assumptions about external forces...

...informs internal strategy focus and resource allocation contingencies

Market Force Dashboard

- Explicit five-year assumptions for 8-10 key forces
- Signposts to spot unexpected deviations

SWOT Priority Matrix

- **S**trengths, **W**eaknesses, **O**pportunities, **T**hreats
- Triaged by leverage and ability to influence



Future Visioning Workshops

- Imagining long-term impact of uncertain but potentially transformational technology and social disruptions
- Implications for business model

Scenario-Based Reprioritisation Plans

- Alternative medium-term directions the market might take
- Start-Cut-Adapt action items for strategic initiatives and operations

2

Differentiate Your Value Proposition



The second competency in dynamic strategy is differentiating your value proposition. Many strategic plans assert high-level aspirations that are difficult to distinguish from those of peers. Even worse, they're only tangentially linked to students' and other constituents' top-of-mind needs.

A differentiation exercise reframes institutional attributes, services, academic offerings, and perceived organisational strengths in terms of practical benefits to students (or donors, granting agencies, community partners, employees, etc.). It also guards against the tendency to conflate what the institution does well or has invested in previously with what's relevant to those groups.

The differentiator 'stress test' to the right outlines the standard to which EAB believes institutions should hold up claims about specific attributes, programmes, and positioning. When approached honestly, institutions can determine how best to promote, refine, or invest in (or divest from) these attributes.

EAB's Differentiator Stress Test



Relevance to Audience

Does our differentiator produce practical, social, and emotional benefits that are valued by a specific audience persona?



Difficulty for Others to Copy

What makes our differentiator difficult for competitors to copy at the same price point, quality level, or scale?



Ubiquity of Benefits

Have we thoroughly embedded the differentiator into the core experience so that practically all audience members receive its benefit?



Provable to the Market

Do we prove the benefits of the differentiator with evidence and terms that align with the audience's definition of success?

Debating, defining, and refining your institution's differentiators is a great place to begin a conversation on dynamic strategy. EAB can jumpstart this conversation with an interactive workshop on 'Achieving Principled Differentiation'. Scan the QR code to learn more and view other differentiation resources.



3 Define 5–10 Year Vision and SMART Performance Targets



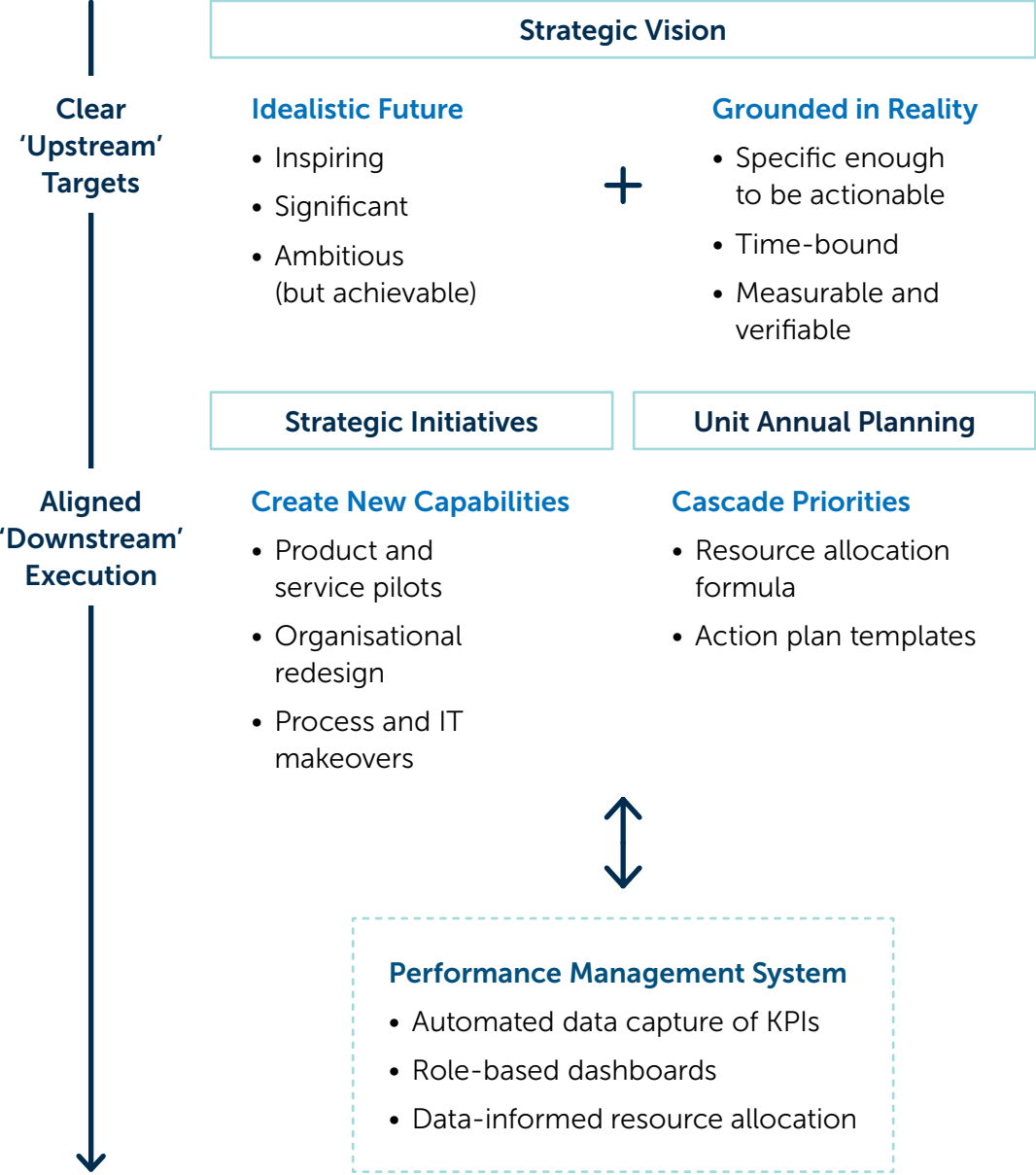
The third step in strategy formation is clarifying vision and measurable performance targets.

Visioning is a qualitative exercise that asks how the institution's unique approach and attributes, if successfully deployed over time, will improve students' lives, regional communities, and social problems. Visioning exercises are intellectually stimulating and affirming, and strategy teams generally perform them energetically and inclusively, involving many campus stakeholders. Most senior leaders are adept at painting vivid, compelling visions to stakeholders.

Target-setting then attempts to express the strategic vision in terms of explicit objectives, with time-bound metrics for progress and goal attainment. Target-setting ought to answer questions like: how much bigger or better do we want to get, by when? Are we aiming for an audacious 'moon shot', or something more immediately valuable? How will we know if we've succeeded?

While there are many approaches to goal-setting, the best follow the model on the right, balancing 'upstream' targets with 'downstream' execution.

Effective Upstream Targets Are Essential for Downstream Alignment and Execution



4

Prioritise Strategic Imperatives



To pivot from strategy formation to strategy execution, institutions must prioritise a set of strategic imperatives, providing concrete guidance about the action steps to be taken to pursue strategic goals and why the steps matter.

Here, ‘strategic imperatives’ are the large-scale actions that an institution can pursue to bridge near-term current state performance and long-term vision targets. Well-crafted imperatives are essential for focusing the efforts of working groups tasked with downstream project scoping. They provide context to help academic and administrative leaders align unit annual improvement plans with institutional priorities

EAB recommends keeping the number of truly strategic imperatives to fewer than seven. Large, comprehensive institutions often cannot match the narrow focus of out-of-sector exemplars, for whom three key areas of focus are more common.

Dos and Don'ts of Crafting Strategic Imperatives

Keep the Number of Strategic Imperatives Manageable

- ✓ **Do:** Limit the number of imperatives to no more than 5–7
- ✗ **Don't:** Designate too many projects as 'strategic'

Explain Strategic Imperatives in Concise, Precise Sentences

- ✓ **Do:** Explain what the imperative is and why it's important
- ✗ **Don't:** Use language so abstract that goals and action steps remain unclear

Balance Imperatives Devoted to Market Position, Resources/Capabilities, and Stakeholder Values

- ✓ **Do:** Focus a third of your imperatives on market position
- ✗ **Don't:** Devote too many imperatives to stakeholder values in pursuit of consensus

Balance Innovation with Support of the Traditional Business Model

- ✓ **Do:** Explicitly reference unfamiliar markets, processes, or capabilities that will be developed to create and capture value going forward
- ✗ **Don't:** Overfocus on what the institution has done well in the past

5 Scope and Model Strategic Initiatives



Teams charged with scoping strategic initiatives—translating strategic intent into planning and action steps—must focus efforts on removing barriers to implementation success and promoting out-year funding stability and adaptability.

One scoping workstream must assess whether initiative investments are market-matching or differentiating, as illustrated in the matrix to the right. This exercise ensures funds aren't over-committed to projects conferring no competitive advantage and guards against mistaking 'new to us' with real innovation.

A second workstream surfaces 'strategy killers'—process, technology, policy, and cultural barriers that, if unaddressed, can derail rollout. Pre-mortem failure analyses can yield invaluable information that exists in the organisation but isn't regularly communicated upward.

Finally, scoping teams (supported by finance specialists) should attempt multi-year cost models, building in review points for deliverables reprioritisation, scale-up triggers for successful pilots, and sunset triggers for lower-impact pilots whose resources can be reallocated.

Illustrative Differentiation vs. Market-Matching Matrix

Strategic Action Item	Differentiating or Market-Matching	Required Investment
Personalised advising	<input checked="" type="checkbox"/> Differentiating <input type="checkbox"/> Market-Matching	Expanded case management tech, 10+ additional staff
'Year Zero'bridge programmes	<input type="checkbox"/> Differentiating <input checked="" type="checkbox"/> Market-Matching	Additional instructor pay, placement test development
Biotech industry placements	<input checked="" type="checkbox"/> Differentiating <input type="checkbox"/> Market-Matching	None needed
Smart registration	<input type="checkbox"/> Differentiating <input checked="" type="checkbox"/> Market-Matching	Update scheduling software, 15+ new classrooms

6 Align the Resource Allocation Model with Strategic Priorities



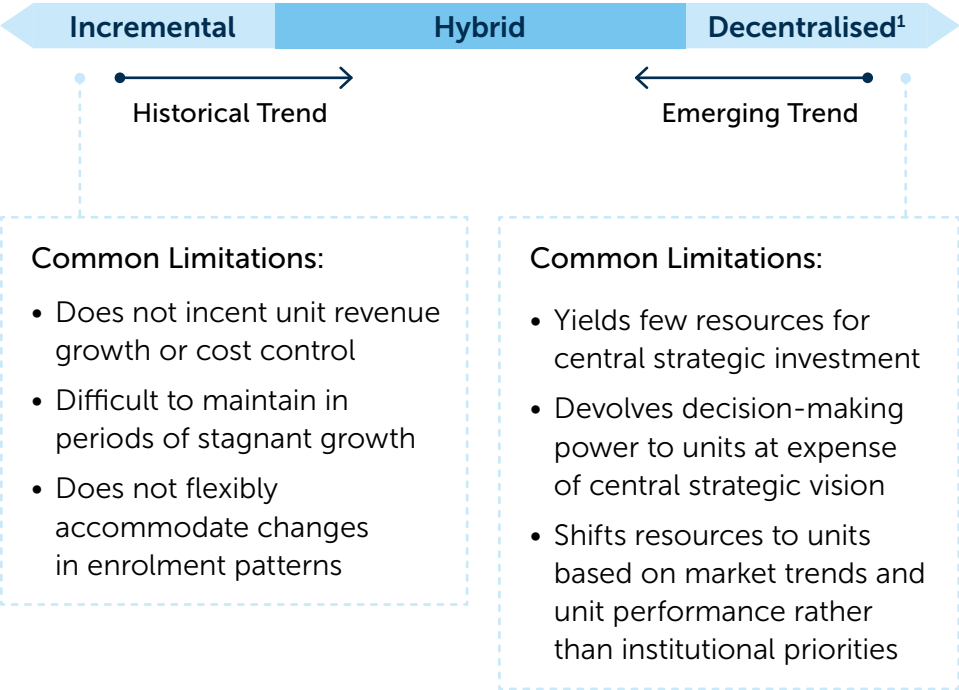
As universities strive to differentiate and meet new student expectations, the total price tag of strategic priorities will likely increase. Thus, many leadership teams will need to adjust, or fully redesign, their current resource allocation model to grow strategic investment funds from within.

Three types of resource allocation model design decisions merit the attention of strategy team:

- Migrating to a higher percentage of funds retained centrally for strategic purposes
- Growing fungible investment funds through targeted reallocation tactics like gainsharing, position control, and diverting auxiliary funds
- Developing consistent and rigorous seed funding criteria

These levers can help ‘automate’ the size and stability of strategic reserves while creating incentives to improve the alignment and planning rigour of unit proposals. Not every practice is right for every institution—there are cultural, financial, and in some cases regulatory issues involved—but any strategy team should consider and workshop their ideas to identify sustainable paths to fund their new strategic imperatives.

Using the Resource Allocation Model to Find the Right Balance Between Decentralised Incentives and Central Investment and Oversight



1) Decentralised, allocation-based models often referred to as Responsibility Center Management (RCM).

7 Embed Accountability into Unit Action Plans and Reporting



Annually or once per term, academic and administrative units should create action plans that cascade institutional strategic priorities into unit-level objectives and action items. Absent this exercise, siloed departments and entrepreneurial staff can diminish the impact of their efforts by pulling in too many different directions (or can remain complacent and not act at all).

Less is more in these plans; strategic institutions keep them to a single page, not just to reduce administrative burdens on frontline units, but to compel simplification of proliferating to-do lists into a short, and therefore memorable and visible, commitment to shared goals.

As goal-setting gets closer to the front line, leading indicator input metrics take precedence over lagging indicator outcome metrics, which are more appropriate to longer-term, institution-wide targets.

Criteria for Designing Unit-Level Metrics



Aligned

Do department-level changes in the metric inflect the relevant institutional goal(s)?



Time-Bound

Can the department significantly influence the metric in the given time frame?



Actionable

Does the department have direct influence over this metric?



Measurable

Can the institution collect longitudinal information about the metric?



Simplified

Is the metric easy to understand and not an amalgamation of many calculations?



Difficult to Game

Does the metric eliminate 'perverse incentives' to avoid true improvement?

8 Create Strategy Explainers and Social Media Message Amplifiers



Stakeholder communication is a critical but often overlooked factor in successful strategy execution. Explaining the rationale for priorities and building awareness of differentiation is essential for stakeholders to understand the expectations the institution is setting for external audiences.

As more institutions embrace dynamic strategy, in which priorities are continuously recalibrated in response to market developments, the traditional modes of communication (a public plan and town hall presentations) aren't enough to inform and inspire stakeholders.

Leaders should augment these traditional approaches with new additions to the communications and public relations repertoire highlighted on the right to increase both reach and relevance.

Dynamic Two-Way Communications to Boost Reach and Relevance



Strategy Explainers

30-minute live presentations and video fireside chats selling internal audiences on the value proposition, with content tailored to the most important stakeholder concerns



Social Proof Testimonials

Structured processes for increasing the number and quality of authentic stories from students and staff to help in recruitment and fundraising



Stakeholder Social Advocacy Programmes

Trainings, content resources, and incentives making it easier for students and staff to promote and amplify institutional strategy in personal social media accounts



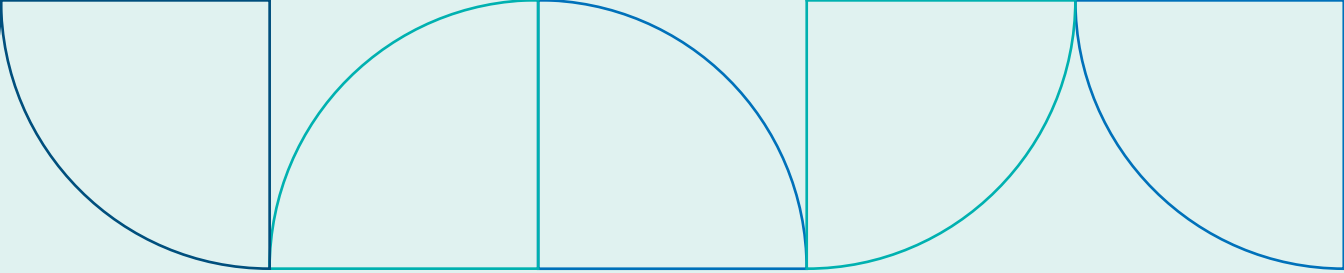
Unit and Individual Strategic Goals Dashboard

Platform on which departments and individuals can make goals and KPIs related to their pursuit of institutional strategic priorities viewable to peers

How Dynamic Is Your Current Approach to Strategy?

Ultimately, the goal of dynamic strategy is to bridge your institution’s current state with an ideal future state while remaining attuned to market changes and shifting stakeholder expectations. The capabilities described in this briefing allow for the development of strategy as an ‘all-the-time’ activity without unrealistic amounts of leadership bandwidth and front-line business expertise. Use this diagnostic to gauge adaptability of your institution’s strategy and strategy execution capabilities.

	Low	Medium	High
1. We evaluate multi-year enrolment and net tuition revenue forecasts based on regional, national, and international trends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. We understand how target student segments respond to different engagement drivers and claims about ROI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. We compellingly and succinctly articulate differentiators from competitors—and ensure those differentiators remain true year over year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. We know where to improve virtual learning and schedule flexibility to meet student expectations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



	Low	Medium	High
5. We know where and how to improve mental health and wellbeing services to meet new student and parent expectations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. We regularly assess the priority, number, and scope of strategic initiatives, reallocating funds from lower- to higher-impact activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Our resource allocation model generates adequate funds for strategic investment and incentivises units to advance institutional priorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. We have defined 3-4 future market scenarios with explicit triggers defined for pivoting priorities, reallocating funds, and changing processes when scenarios shift	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How EAB Can Jumpstart a Dynamic Strategy Approach on Your Campus

With the right tools, processes, and leadership education, dynamic strategy is an attainable and transformational model for responding to evolving stakeholder expectations, market challenges, and competitor positioning.

As noted below, EAB offers a suite of facilitated activities, DIY resources, and 'get smart quick' primers to help you improve the rigour, reduce the effort, and amplify stakeholder buy-in of your strategic planning process.

To get started on the dynamic strategy journey, email strategy@eab.com.

Select Resources Within EAB's Dynamic Strategy Resource Center



Build Dynamic Market Scenarios

- External Market Scenarios Workbook
- SWOT Analysis Toolkit
- EAB State of the Sector Report



Differentiate Your Value Proposition

- Student Persona Builder Toolkit
- Achieving Principled Differentiation Workshop
- Differentiation Stress Test Infographic



Define 5-10 Year Vision and SMART Performance Targets

- Key Performance Indicators Picklist
- Sample Strategic Plan Dashboards



Prioritise Strategic Imperatives

- Strategy Prioritisation Workshop



Scope and Model Strategic Initiatives

- Strategic Terrain Primer Library
- Pre-Mortem Interview Guide and Workbook
- Hidden Enemies of Strategy Workshop



Align the Resource Allocation Model with Strategic Priorities

- Resource Allocation Model Design Workshop
- Resource Allocation Model Compendium
- Increasing Fungible Resources Whitepaper



Embed Accountability in Unit Action Plans and Reporting

- Selecting Core Performance Metrics Toolkit
- Exemplar Tracking and Reporting Frameworks
- Departmental Evaluation Whitepaper



Create Strategy Explainers and Social Media Message Amplifiers

- Sample Strategy Positioning Papers
- High-Impact Strategy Communications Whitepaper

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