

RAISING THE BAR

Strategic Plan
2010-2015

It is no trick to
formulate a strategy,
the problem is to
make it work.

*IGOR ANSOFF,
Corporate Strategy*

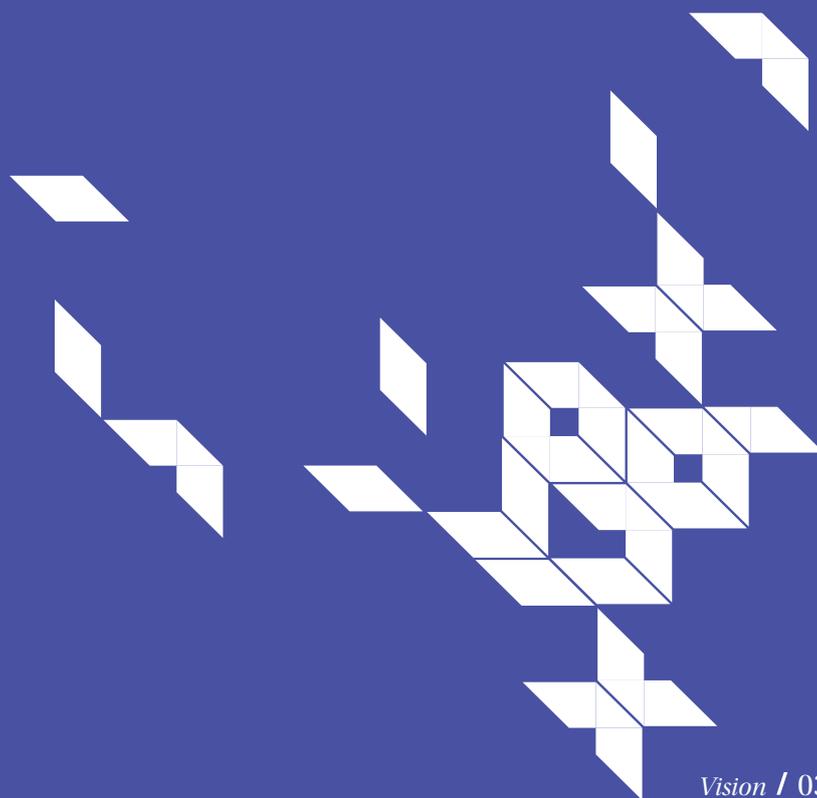
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Vision

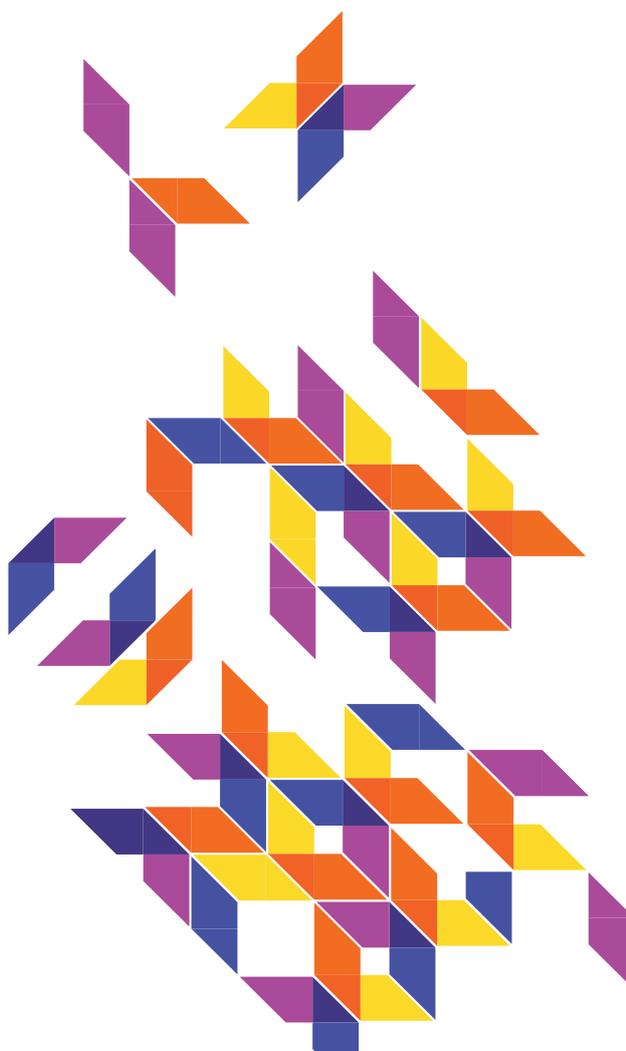
By 2015 we have transformed ourselves into an internationally facing University committed to delivering outstanding life changing opportunities in education, underpinned by a culture of entrepreneurship, purposeful research and social enterprise recognised around the world for its originality and impact. Our ambitious and unapologetic stance combining quality, diversity of provision, access and graduate employability is the envy of the sector.

We are admired nationally for our market-led, value-added offer and unswerving commitment to the economic, social and cultural success of the region.



Mission

To transform lives
and inspire change



Values

- **Delivering:** a student experience of the highest quality
- **Entrepreneurial:** enhancing the economic, social, cultural and creative life of the region
- **Valuing:** opportunity, diversity, a global perspective, inclusion and equality for all
- **Enabling:** a culture of empowerment, responsibility, tolerance and excellence
- **Leading:** the commitment to innovation, value for money and financial sustainability
- **Openness:** transparency, celebration of success
- **Performance:** through continuous staff development and investment

1.0 Introduction

This document sets out our values, vision, mission, strategic aims and objectives for The University of Northampton as a vibrant, proactive force for good, over the five years to 2015. It identifies four Critical Success Factors – The Student Experience, Intellectual Capital, Strategic Partnerships and Financial Sustainability – and their underpinning KPIs that will guide our progress as an institution through the stormy waters ahead. Together, they provide line of sight and clarity throughout the organisation and are the four pillars on which our future success rests.

To date the University has shown itself to be exceptionally resilient and highly skilled in responding to internal and external challenges. But in what is to come, we need every fibre of our being aligned and unified around the strategic themes identified here. To this end, our robust financial position, combined with excellence in teaching, research, employability and commitment to access, makes us exceptionally well placed to overcome the challenges ahead.



1.1 Background

Over the next five years UK Higher Education will face unprecedented change. The key drivers of this change are the squeeze on public sector funding as outlined in the Comprehensive Spending Review of 2010 and recommendations set out in Securing a Sustainable Future for Higher Education (the Browne Review) and Government white paper 'Students at the Heart of the System'. In this context, a particular challenge facing us is our reliance on government grants for income, not just in support of our current and wide ranging taught academic portfolio but also in healthcare and teacher training. Thus, while all publicly funded UK universities are exposed to the same financial risks, as our particular funding streams come under pressure others in the sector with more balanced income portfolios may be better placed to deal with the consequences.



In such a deeply challenging and uncertain environment one thing is for sure – the status quo is no longer an option.

1.2 Competitive environment

The new funding regime brings with it unrivalled levels of competitiveness. New entrants from the private sector, substitutes (growth of corporate universities, increasing HE in FE, and apprenticeships), combined with increased buyer power, all in the context of heightened competitor rivalry, are generating a mix of deep uncertainty and anxiety. The simple fact is that those universities who fail to keep market share through lack of distinctiveness or price as students (both home/EU and overseas) become more discerning and sophisticated in their choice of institution in a post-Browne fees regime face a fight for survival. As a matter of urgency we need to understand elasticity of demand, anticipate future trends and build our brand to avoid being 'stuck in the middle'. In such a deeply challenging and uncertain environment one thing is for sure - the status quo is no longer an option.

2.0 Strategic Capabilities

The current environment of high uncertainty demands a dynamic strategy not easily copied by others. In moving towards our desired future state we will be guided by five strategic capabilities that combine cost reduction with diversification and allow us to match resource allocation with activity. It is the totality of these aims that defines our unique proposition as a University.

Compete on quality and added value

By placing the student experience at the centre of activity we fulfil our commitment to transforming the lives of those who study and work with us. But this commitment will only be achieved if we stick tight to our principle of competing on quality and added value whatever the activity. For our taught provision we will adopt a market-led approach to pricing but not seek to undercut private providers and HE in FE. A race to the bottom is not an option. Speaks to *values of delivering and valuing*.

Enhanced responsiveness

We will need to embrace risk more pro-actively and seek out 'blue ocean' opportunities where we can compete in space that is relatively uncontested to gain first mover advantage. Adopting a cautious but purposeful approach, we will build on our strengths in employer-led CPD, part time, distance and blended learning provision, two year degrees, research, consultancy and social enterprise. These opportunities need to be embraced with vigour and valued as core activity in themselves not adjuncts to traditional teaching and learning. Once identified, speed of delivery will confer competitive advantage but only if the supporting environment can respond in tandem. Speaks to *values of leading and entrepreneurial*.

Redesign

We will need to invest to move forward. But to create headroom in a climate of severe funding constraints demands we identify activities that are no longer fit for purpose. We will need to look closely at our academic footprint, internal structure and supporting processes that have grown up over time to mirror an external funding regime and regulatory environment that will soon no longer exist. Speaks to *values of leading and enabling*.

Internationalise

Many HEIs will be looking overseas to fill the funding shortfall. So will we, but not at any cost. For us, to internationalise offers new opportunities to build long term strategic partnerships with overseas institutions defined by increased student mobility, transnational education and in-country delivery. It offers our students the opportunity to embrace new cultures and develop a global perspective with enhanced employability. For staff it opens up new territories for the delivery of research and consultancy. Speaks to *values of enabling and valuing*.

Social Enterprise

Social enterprise is the uniting theme across the six Schools that builds on strengths in community interaction, entrepreneurship, regional engagement, WP, third sector partnership, student volunteering and employability. National recognition of social enterprise as a holistic theme will confer an important point of external differentiation on the University. Speaks to *values of entrepreneurial, delivering and leading*.

Ambition

No University ever shrunk itself to greatness. We need to tell the world more about our strengths and successes and our distinctive brand. But for others to take note we must raise our profile and reputation. To this end we aim by 2015 to become a top 50 ranked UK University and the UK's Number 1 University for social enterprise. Speaks to *values of delivering, valuing, enabling and performance*.

3.0 Strategic Objectives

Our **strategic objectives** follow directly from our capabilities and are straightforward:

- To remain competitive
- To protect our financial position
- To succeed in our ambition.

4.0 Keeping an eye on it: Critical Success Factors (CSFs)

Flowing on from our vision, strategic capabilities and objectives are four Critical Success Factors underpinned by a suite of 16 high level KPIs. Together they quantify and measure our performance against target to 2015.

Each of the major functional areas of the University – learning and teaching, the discovery of new knowledge and its application, the interface with industry, commerce and the public and third sector institutions, IT, HR and Estates – has responsibility for delivering in these four areas. Each is equal in

importance and interlinked. Progress against targets will be reported to the Governing Board aggregated against each Critical Success Factor to ensure line of sight.

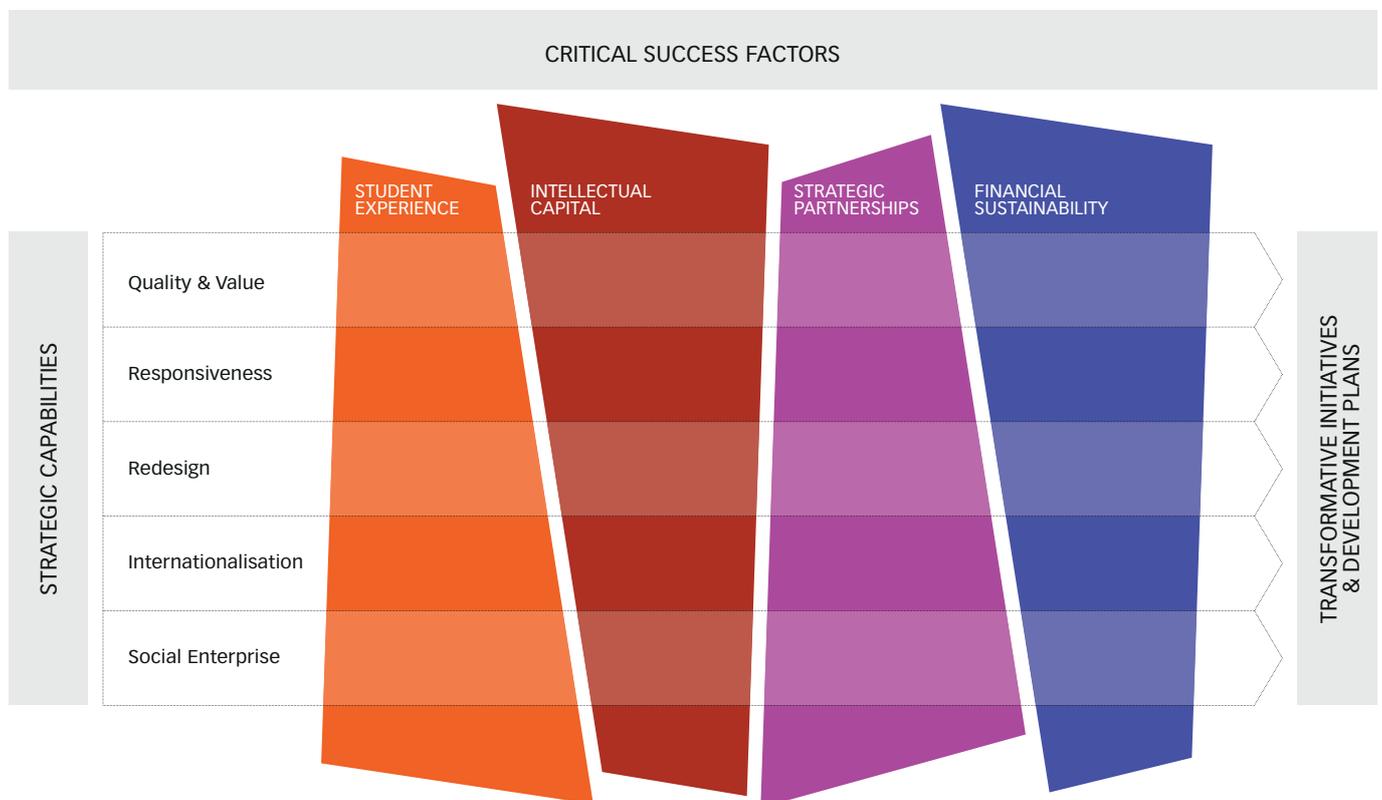


Fig 1. Raising the Bar in a single picture: CSFs and strategic capabilities combined into a 4 x 5 matrix. The resulting grid informs objective setting and is a decision tool for project development.

5.0 Managing Strategic Drift

Some 70% of all strategies fail at implementation stage. Failure can be due to external forces (political/economic) or internal forces such as misalignments between sub-strategies, resistance to change, poor management control, weak goal setting and reward systems, slack monitoring of progress against targets and poor communication. It is imperative that once approved the strategy is adhered to and risks associated with strategic drift mitigated. This does not mean that the strategy cannot change – indeed a proactive and dynamic strategy is one that is responsive to change in both external and internal environments. It will however require careful monitoring and oversight. Strong governance is therefore essential.

Governance: Responsibility for monitoring performance against KPIs rests ultimately with the Governing Board. Members of the University Executive Team and Senior Management Team have clear ownership, accountability and responsibility for individual KPIs.

Communications: Good communication is a critical requirement for successful implementation. Without a shared understanding of corporate strategic themes and objectives, implementation of the plan is put at risk. A clear line of sight between School and corporate KPIs that cascade seamlessly throughout the organisation via Executive Deans is an essential goal. Performance and appraisal will be aligned to provide support, along with a communications plan for staff that will incorporate a mechanism for feedback and review.

Strategic Risk: We will address the issue of strategic risk in two ways. One is through the risk register where risks are identified and linked to each KPI along with a plan for mitigation. Cascade risk will be monitored through an enterprise-wide risk

management system. Strategic risk will be addressed through annual scenario planning. As an example, two scenarios called Going for Gold and Below the Bar that outline divergent paths for the University to 2015 are set out on pages 12 and 14. While both are fiction it is likely that they contain some elements of truth in a future distinguished by its heightened uncertainty.



Clear line of sight between School and corporate KPIs that cascade seamlessly through the organisation is an essential goal.

6.0 Summary of Key Performance Indicators (KPIs) to 2015

No.	KPI Short Titles	KPI Description
Student Experience		
KPI 1	NSS Satisfaction	% of Overall Satisfaction
KPI 2	Graduate Employability	Number of Alumni who are in Graduate Level Employment as a % of those who are in Paid Employment six months after completing their course
KPI 3	Internationalisation	<ul style="list-style-type: none"> • % of all HE students who are international students or studying on a programme based with an international partner • Achievement of targets within the Internationalisation plan
KPI 4	UG Taught Completion Rate	The number of students who have received a UG degree classification FT in year 3 as a % of the number of students who started a FT UG Degree course in Year 1
Financial Sustainability		
KPI 5	% Cash Flow (Net Cash Flow as a % of Total Income)	National PI Term: % Cash Flow. Net Cash Flow as a % of Total Income
KPI 6	Reserves (Historical Costs Surplus) as a % of Income	National PI Term: Reserves as a % of Total Income.
KPI 7	% of School Targets Met	The % of financial performance targets met by Schools (4 targets per school). (a) Resource Efficiency (ROI); (b) Pay as a % of income; (c) Income per Academic; (d) School Contribution £s
KPI 8	Investment in Facilities per Student FTE	From Financial Return: Combined Spend of (a) Total Academic Services; (b) Student Facilities per Student FTE
Intellectual Capital		
KPI 9	R&E Income	(a) Research and Enterprise Income (£) (b) Value and % success rate of bids submitted by research staff
KPI 10	% of Academics with Doctorates	% of Academic Staff with Doctorates.
KPI 11	% of Academics with formal or accredited teaching qualifications	% of Academic Staff with formal or accredited teaching qualifications
KPI 12	Academic Staff: Student Ratio	Mean Score from the Times and Independent League Tables
Strategic Partnerships		
KPI 13	Community & Civic Engagement	(a) The % of students who are undertaking at least one accredited work based learning module or placement. (b) The number of community volunteering hours worked by staff and students.
KPI 14	Public and Private Sector Partners	(a) Contracted numbers with key stakeholders (NHS and TDA) (b) Appropriate links made between the University and public and private sector partners in relation to Raising the Bar
KPI 15	Alumni/Development Engagement	(a) Number of former students engaged with the University (b) Amount of philanthropic donations
KPI 16	Social Enterprise	(a) Investment in Social Enterprise endeavours (b) Student Engagement in Social Enterprise endeavours

Scenario # 1: Going for Gold

Building on our vision and mission to transform lives and inspire change we took a fresh look at what it meant to be a University in the post-fees environment where the industrial model of Higher Education based on increasing cost linked to entitlement funding no longer applied. Under challenging market conditions we priced our offer competitively and sustained growth by simultaneously cutting cost (focussing on core activities) and differentiating our provision based around a quality student experience underpinned by research-informed teaching, consultancy, employer-led CPD and joint ventures overseas. Each activity was valued equally as we evolved a dynamic product mix reflecting a successful, Blue Ocean strategy fuelled by our high performance intellectual capital, reflected in our excellent 2014 REF outcome and continued quest for innovation. Our students, now highly sought after by employers, matured into successful alumni whose long-term support created a virtuous cycle of

enabling, empowerment, responsibility and excellence. Their financial contribution helps fund an ambitious estates programme and bursary scheme. Cloud computing and the continued growth of the digital economy opened up radical ways of thinking about higher education in a global context where a new entrepreneurialism in the classroom fostered outstanding creativity and quality in learning and teaching delivered by our highly incentivised staff. As the research-led super tankers, some living off historical reputation, struggled hard to turn, smaller institutions working in strategic partnership with businesses, key public sector organisations and their local communities, were able to offer a distinctive and superior education. By 2015 the University had some of the appearance and feel of a US Liberal Arts college – international yet embedded in the region, with a leading reputation as the UK's top university for social enterprise.

Under challenging market conditions we priced our offer competitively and sustained growth by simultaneously cutting cost and differentiating our provision based around a quality student experience underpinned by research-informed teaching.



Our students, now highly sought after by employers, matured into successful alumni whose long-term support created a virtuous cycle of enabling, empowerment, responsibility and excellence.

Scenario #2: Below the Bar

After a bumper year in 2011 when student enrolments reached new heights (despite continuing problems with accommodation) forward applications for 2012 entry looked bleak by comparison, with some courses showing reductions in applications of 40%. A major project to speed up our internal processes and free up staff time had not been well managed, with a significant minority proving highly resistant to change. The continued fallout over student fees led to bouts of industrial action and the political environment remained highly charged and uncertain. Against this backdrop of falling morale and the intermittent failure of a newly installed central IT system came the news that the University had fared badly in the 2014 Research Excellence Framework and that research funding from 2015/16 would be halved at least. Student demand was soon discovered to be highly elastic and our pricing strategy had not been responsive enough to capitalise on this. Many were lured away on price to a local FE college who had signed an exclusive

partnership with a 'for profit provider' that together targeted postcode campuses (including Northampton) through highly aggressive marketing directed at local parents. While elements of our STEM provision remained strong, as a result of the Comprehensive Spending Review larger than expected cuts to the NHS and TDA put healthcare and teacher training under severe financial strain. Our overseas ventures were stalling due to our low UK league table position and increasing competition. With the breakdown of Local Enterprise Partnerships, regional funding was effectively dead. Facing a growing deficit, a weak cash flow forecast and rising interest rates, HEFCE put the University on the 'at risk' register. Several private providers (one overseas) had approached to the Governing Board about a possible buyout.



employability

impact university internationally-facing

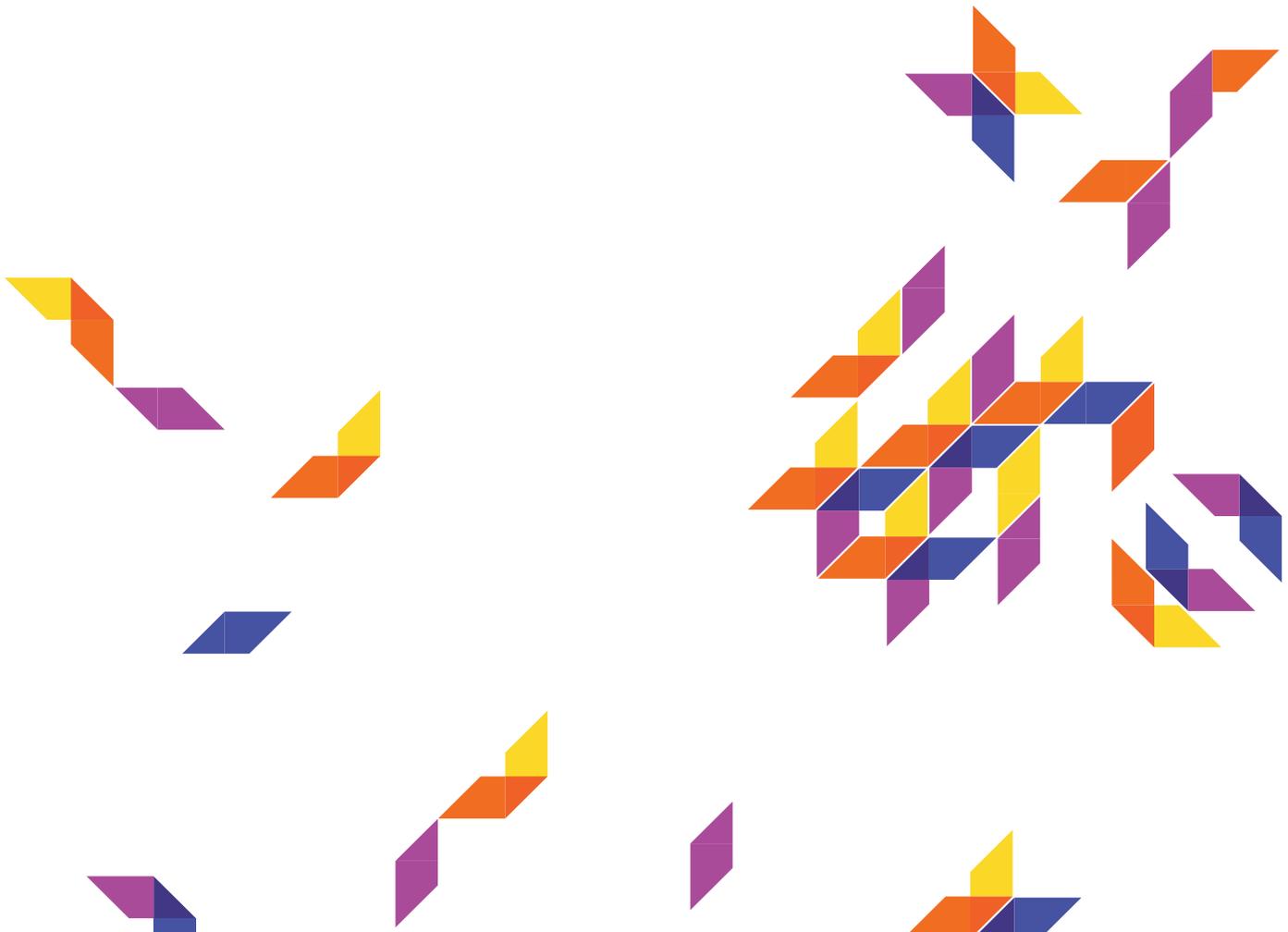
research culture

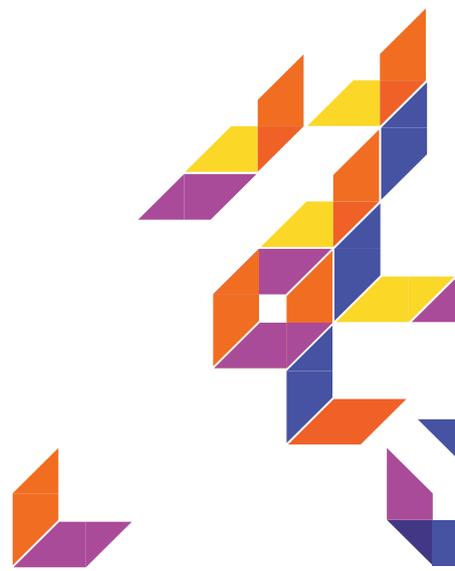
social enterprise *education*

transformed ambitions access

committed opportunities quality

entrepreneurship *unapologetic*





Park Campus
Boughton Green Road, Northampton, NN2 7AL, United Kingdom

Avenue Campus
St George's Avenue, Northampton, NN2 6JD, United Kingdom

T 0800 358 0066 E study@northampton.ac.uk W northampton.ac.uk

