



## **FOR IMMEDIATE RELEASE**

Date: 30 October 2004

From: Collegiate Enterprise Solutions/Registry for College and University Presidents  
3 Centennial Drive, Peabody, MA 01960  
Phone: 978-532-4090  
[www.ces-online.org](http://www.ces-online.org)  
[www.registry-online.org](http://www.registry-online.org)

Contact: Bryan E. Carlson, President

Re: CES/Registry National Annual Seminar:  
**TURN-AROUND STRATEGIES IN THE ACADEMY**

On October 29-31, 2004, the Registry for College and University Presidents—a division of Collegiate Enterprise Solutions (CES)—convened its twelfth annual National Seminar in Southern Pines, NC. The primary focus of this year's National Seminar was on TURN-AROUND STRATEGIES IN THE ACADEMY.

The Registry is the nation's premier interim presidential service, and its parent CES provides integrated consulting solutions for college and university presidents.

CES, the Registry, and their affiliates work with literally hundreds of college and university presidents, and together *they are ideally positioned with a purview to identify some of the generic attributes that are predictors of presidential success in the academic world.*

At the Seminar—instead of simply presenting theory and observations about the *predictors of presidential success*—CES and the Registry decided to select and feature real-life examples of seven presidents who have been demonstratively successful in the face of enormous challenges, and even adversity.

All seven of these presidents—who are identified below—are at the helm of significant turn-arounds in the academic sector:

- Interim President Al Anderson, Sterling College (KS)

- President Jack Brennan, Green Mountain College (VT)
- Past Interim President Richard Greene, MedCentral College of Nursing (OH)
- President Reggie Ponder, Louisburg College (NC)
- President Ken Zirkle, Becker College (MA)
- President David Ellis, Newbury College (MA)
- President Clarence Newsome, Shaw University (NC)

Dr. Bryan E. Carlson, President of both CES and the Registry, described all seven presidents as *exemplars of the CES/Registry successful president's leadership profile*. In fact, the accomplishments of these seven presidents helped CES/Registry to formulate the *successful president's leadership profile*, which is defined by the following capabilities:

1. *Seizing the right opportunities*—an ability to identify and focus on the best opportunities.
2. *Mobilizing for results*—a capacity to lead the institution towards new levels of success.
3. *Executing successfully*—the wherewithal to perform and manage successfully.
4. *Academic Entrepreneurship*—a composite definition of the above.

Dr. Carlson also discussed presidential behaviors that represent the antithesis of the *CES/Registry successful president's leadership profile*. As a possible *predictor of presidential failure*, Registry Chairman and Founder, Dr. Thomas H. Langevin has identified one of the most dysfunctional management foibles that is prevalent in the academy: *analysis paralysis*. When an academic president is afflicted with *analysis paralysis*—it is likely to be contagious throughout the entire organization, which can result in immobilization—or molassefication—of the academy.

Dr. Carlson also recommended a book entitled WHY CEOs FAIL by Peter C. Cairo and David L. Dotlich. Crafted primarily for CEOs in the corporate sector, this book, according to Carlson, is relevant for CEOs of the academy.

Cairo and Dotlich assert that leadership failure is a behavioral phenomenon. Their book identifies eleven leadership “derailers,” and Carlson advised that academic CEOs are especially vulnerable to the eleventh derailer: too much EAGERNESS TO PLEASE.

According to Cairo and Dotlich, “when CEOs are pleasers, they fail in part because their companies have access only to the conventional wisdom. The unconventional wisdom—where innovation and bold moves originate—is largely absent.”

According to Carlson, too much EAGERNESS TO PLEASE inhibits academic entrepreneurship, and the potential opportunity to foster an environment where “*bold*

*moves and innovation originate.”* What is more, within the ivy-covered walls of the academy, *there are simply too many conflicting interests to please everyone—which leaves presidents vulnerable to displeasing everybody.*

As a final overview, Dr. Carlson reported that CES and the Registry have observed a new direction and mega-trend in the world of the academy: *there is re-sorting through which institutions are either becoming extremely marginal, or they are moving towards excellence—and few are falling in between.*

In the movement towards excellence, CES and the Registry have identified three strategic initiatives that statistically correlate with institutional success:

1. *Blended operating models featuring bricks as well as clicks.*
2. *A proclivity to collaborate along a spectrum that might include consortia, federations, partnerships, or even mergers.*
3. *A wherewithal to commercialize assets—including but not limited to intellectual property.*

In conclusion, Dr. Carlson stated that CES and the Registry are just beginning to capitalize on their very own intellectual property—which might best be described as *the intellectual capital of the successful academic presidency.*

Enc: 7 Presidential Precis

## **Elements of the Turn-Around** **Albert Anderson, Interim President**

By “turn-around” I mean a marked, sustainably positive change in what were once decidedly negative vital signs of the institution--likened to an impending train derailment, uncontrolled bleeding, cliff ahead, etc.. It is doubtless different in every situation, and generally within an institution’s control (short of scandal or catastrophe). However, some characteristics, in my experience, seem to be common both to what precedes and to what follows the turn-around. And, rarely does either happen overnight.

Factors preceding or contributing to a need for turn-around, may include some or all of the following:

- + neglect: benign or naïve inattention to narrow operating margins: undue tuition dependency and discounts; unbudgeted expense; deficit patterns; poor cash-flow status.
- + ineffective or dysfunctional governing board: members unwilling or unable to attend to policies, institutional welfare; micromanagement; conflicts of interest.
- + patterns of declining enrollment and retention: sacrifice of quality for numbers of the poorly prepared; high suspension, disciplinary rates; reputation as party school.
- + loss of constituent interest, confidence: perceptions of mission erosion, disinterested alumni, campaign failure, inordinate faculty and management turnover.
- + programs or management structures that are burdensome on resources: low enrollment or unproductive offerings and services; excessive costs of President's house.
- + ineffective or unfit leadership: vision without actionable strategy or follow-up; ill-equipped for fund- and friend-raising; plays a "role" devoid of its authentic demands.

Factors that can contribute to a turn-around (beginning with the cards you're dealt, including the ones they never showed you) may require one to:

- + assess, with consultation, the situation for viable balance of fiscal stability and program attractiveness: avoid premature state-of-college, vision-for-future statements.
- + form high-level task forces to identify and initially focus on the critical turn-around issues: admissions and marketing, financials, fundraising, program review.
- + develop an actionable strategic plan with time-frames, accountability: with key cost/revenue members, devise focused, 3-year annually renewable plan and "dashboard."
- + insure or restore fiscal stability with efficiency measures: reduce non-essential expense, excessive benefits, net new positions, salary increments; consolidate functions.
- + convey plans and actions, in person, to key constituents: with most important individuals and groups, discuss—with candor—the urgency of and plans for turn-around.
- + hold regular board retreats, best with external facilitator: review of mission, by-laws, board and presidential responsibilities; might use "red flag" issue as case study.
- + on interim assignment, provide open-ended "platform" for new president: need for evaluation process and covenant of mutual expectations between board and CEO.



GREEN MOUNTAIN COLLEGE

## **A Turnaround at Green Mountain College**

### **John F. Brennan, President**

A 170-year-old venerable liberal arts institution, Green Mountain College, in rural Vermont was reeling from some unrealistic satellite campus investments. Exploitive real estate contracts with a sharp developer for a new campus on Killington mountain – the largest ski

operation in the Northeast, had led to an impossible cash drain, delayed construction plans, insufficient enrollment for a new Resort Management program, no students to fill the two dormitories under construction, frayed tempers, threats of lawsuits and a President and Board under very high pressure.

The college lost \$1.1 million in 2002.

Adding to the financial woes were unsettled management conditions in the faculty and staff including excessive turnover, unwise battleground promotions of juniors not up to their professional tasks, monumental unpaid bills and fussing among the top college officials. Valuable faculty and staff were leaving, votes of confidence were under discussion and inevitable intrusions by well-meaning, deeply worried Board members were occurring, adding more confusion and more blurring of authority.

Quantitatively, the debt to equity ratio was 16 to 1, deferred maintenance was estimated at \$16 million, vendors bills were at \$1.3 million, most long overdue, enrollment was ebbing, development had a new leader each year for five years, endowment was stuck at \$2 million and completely pledged to a bank increasingly nervous over its \$8 million debt.

Even with all the problems and mounting turmoil, there were many strong assets in place: a beautiful small campus with a great tradition; an interim provost – raised from the faculty was steady, popular and dedicated; a former bank president was retained to assist in the crisis; vestiges of support and wisdom on a board badly riven by loss of confidence in the College and resultant disloyalty to the CEO; a creative faculty devoted to the environment - the college focal theme; and finally 500-600 excellent, talented students worthy of anyone's support. The new President found these assets more than sufficient to turn around and grow what was a jewel in the New England higher education crown.

Resignation of the President was inevitable under these circumstances, and upon his notice to depart during 2002, a professional search by R.H. Perry & Associates was completed during the summer of 2002 with the appointment of a "hybrid" – an experienced academic administrator, former endowed faculty chair with a long record of successful corporate leadership prior to academia. This combination was particularly fortuitous in gaining and maintaining the confidence of the board, the faculty and numerous unrequited creditors.

Immediate steps were taken to shore up the short-term financial situation. A critical list of priorities were adopted and replaced those in the then pending strategic plan, relationships were re-woven with the community, the U.S.D.E. and NEASC; an attempt to raise funds via a new bond issue was mounted; and negotiations were initiated with the developer to allay legal disaster.

Two days before assuming duties, the President was informed of a very public \$5 million lawsuit by the developer.

The college eventually went to arbitration and came away owing only 4% of the initial claim. The weight lifted from putting this issue behind the college was priceless.

Facing reality head-on allowed us to take a serious look at expenses and income. We made serious cuts in operating expenses thanks to a courageous budget committee, which led to a much more efficient operation – one the college could afford.

On the income side, we began entrepreneurial efforts to negotiate sizeable investments with new vendors – food service (on the campus for 22 years) insurance, etc. which brought us \$1 million in working capital – a significant amount for a college of this size.

Improving financial operations led to new bond underwriters and the Key Bank of New York to take Green Mountain College more seriously. Their confidence in the new team led to a letter of credit guaranteeing a \$9.3 million bond sale, issued by the Vermont Economic Development Authority. This infusion allowed the college to pay off all previous mortgage debt and provided sufficient funds to make investments in longstanding campus needs.

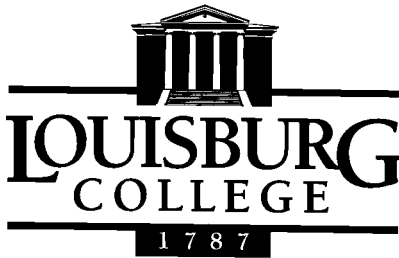
A bequest of \$850,000, a record for Green Mountain College, came in at this time. It was not part of the plan, but luck is an important ingredient in any successful turnaround.

The timing of these positive events was described as “the perfect storm” by our CFO, but with the exception of the bequest, each achievement was the result of tireless efforts of a new professional team.

Enrollment and retention remained threatening realities and led us to hire a veteran enrollment expert who fearlessly tackled every unreasonable goal the President set for him – and succeeded on most. The figures speak for themselves, a 42% increase in admissions over the previous year and an increase of 30% on freshman to sophomore retention.

Green Mountain College plans on another 35% increase in admissions next year bringing enrollment to 750, and introduction of new programs that will allow the college to meet its goal of 1000 students by 2006/2007.

Green Mountain College is well on its way to financial stability and total institutional transformation.



---

## **LOUISBURG COLLEGE: A TRANSFORMATION**

### **Reggie Ponder, President**

Louisburg College was established in 1787 and is a small, residential, private, co-educational, two-year college related by faith to the North Carolina Conference of The United Methodist Church. Prior to the arrival of Dr. Reginald W. Ponder as Interim President, an external review committee visited and analyzed Louisburg College’s situation in early 2002 and recommended the following options to the College:

1. to initiate the orderly closing of the institution, or
2. to initiate a very specific plan for actively testing whether or not Louisburg College, as a church-related, junior college, has a viable role in higher education today and for the foreseeable future.

Dr. Ponder developed a Business Plan for the Transformation of Louisburg College which addressed the review committee’s concerns in the areas of finances, student enrollment and retention, physical plant, academic programs and faculty, information resources, administrative management team, and governance (Board of Trustees) in an attempt to test actively whether Louisburg College had a viable role in higher education. Louisburg College’s trustees endorsed the business plan at its April 2002 meeting with the College quickly acting on all points of the plan.

The Louisburg College transformation witnessed immediate results such as in institutional development, academic programs, and trustee renewal while results indicating institutional viability in other areas required a year or more to be observed such as in student enrollment and financial and budgetary concerns. Other tangible evidence is still being noted (student housing and cafeteria renovation) or in the initial phases of implementation such as in deferred maintenance. Institutional progress was evident to the extent that the Commission of College of the Southern Association of Colleges and Schools lifted a “Warning” sanction in December of 2003, and Louisburg College expects that the United States Department of Education will lift its financial aid quarterly reporting requirement in February 2005 due to a 27% increase in its unrestricted net assets of the institution during the 2003-2004 fiscal year.

Louisburg College continues to monitor closely key indicators weekly at its administrative cabinet’s meeting, quarterly at its trustees’ meeting, and annually through assessments made by internal and external individuals.

Louisburg College is now in the position of stimulating and managing enrollment growth through building academic partnerships, increasing the endowment, and planning for new academic facilities.

**NEWBURY COLLEGE**  
**BROOKLINE, MASSACHUSETTS**  
David Ellis, President

On July 1, 1998, Newbury College saw the retirement of its 35-year founding President and looked over the edge of the higher education cliff.

- A private two-year College which was viewed by the education and prospective student/family sectors as an expensive community college
- While authorized to grant Bachelor of Science degrees since 1994, only 12% of the student body were in four-year programs.
- A small Board of Trustees with no Newbury alumni representation.
- Significant declines in both fulltime and part-time enrollments and major problems with retention.
- Multi-million dollar operating losses in each of the previous two fiscal years including a major 8-10% write-off of annual revenue.
- A financial aid default rate of 23%.
- No history (or base) of fundraising over 35 years and limited connections to alumni.
- Limited (200) residential life beds for the total fulltime population.
- Diverse academic offerings structured under autonomous departments without common connecting curricular threads.
- A limited athletic program competing in the Junior College ranks.

Six years later, Newbury College looks very different:

- The College’s fulltime enrollment has increased for three consecutive years – a 53% increase in new student recruitment in that span and overall enrollment growth of 30%.

- The Fall 2004 full-time enrollment includes the largest baccalaureate class in the College's history within the total of 381 students, eclipsing what had been the records the previous two years.
- 90% of our full-time students are now in Bachelor degree programs compared with 12% in 1998.
- Six Bachelor degree programs have been added over the past 6 years.
- Upper-class student retention has also increased in the past three years and is now at 84%.
- The default rate has been 9% or lower for the past five years.
- Student diversity continues to be a major asset for those seeking a Newbury education. In Fall 2004 the full-time student population is 18% African-American, 8% Hispanic, 7% Asian/Pacific Islands and 10% international.
- Annual Giving has increased 15% over the past three years and Newbury is honored to have the Roger A. Saunders School of Hotel & Restaurant Management and the New Balance Center for Team Learning in the School of Business and Management. Fundraising efforts are focused on participation with scholarship funds and faculty chairs as the most successful areas to-date.
- The Office of Alumni Relations was re-established after a 6-8 year hiatus in an effort to reconnect with graduates and create opportunities for Newbury alumni to increase their interactions across a broad spectrum of programs. The College held its first-ever reunion in May 2004 and has alumni on the Board of Trustees.
- The FIDER (Foundation for Interior Design Educational Research) granted accreditation to Newbury's BS degree in Interior Design in the Fall of 2003.
- The President's Fulbright Commission selected Newbury's Donald Gosselin, Longwood Professor of Criminal Justice, as a Fulbright Scholar in 2003.
- In September 2003, the NCAA announced that Newbury had been granted full membership in Division III.

## **“A Precis on the Turn Around at Shaw University, Raleigh, NC”**

### **Clarence G. Newsome, President**

To the extent that Shaw University is involved in a turn around process, that is, a process of sustained quantitative and qualitative growth, fiscal well being,, academic and administrative effectiveness, and efficiency, two areas of emerging success come to mind immediately 1) improvements in the collective consciousness of the institution; and 2) positive changes in its formal and informal infrastructure.

Upon taking office, I began to speak of “A New Shaw for A New Millennium”. The full meaning of this has been evolving. But from the outset it has signaled my expectation that a new consciousness would govern the life and work of Shaw University in the future. Evident in the attitudes, aspirations, and dispositions of faculty, students, staff, and alumni alike, it would consistently reflect an unequivocal belief in the University to overcome any doubt about the possibility of it fulfilling its enormous potential.

“A New Shaw for A New Millennium” has struck a chord with the Shaw University faithful.. It has awakened in them not only a greater ambition for the institution, but a

greater resolve to insure that the institution realize its promise. Higher and higher levels of individual accountability are being manifested. Partly as a result of this, the University has set enrollment (headcount) and registration (financial count ) records. This has also been the basis for bringing about positive changes in the formal and informal structure of the University in a relatively short period of time.

Shaw University's turn around owes much to the extensive major changes made to its formal infrastructure. During my first year in office considerable time and attention was steadfastly devoted to assessing this facet of the University's life. The discipline for this task was inspired by the belief that the University would have to have an infrastructure strong enough to bear up under the weight of its success. The formulation of critically important policies and procedures, and the revision of existing policies and procedures, accompanied by continuous in-service training of personnel, resulted from this thoroughgoing evaluation. This has had the effect of improving the quality of the University's operation in noticeable and measurable ways. For example, within a year the retention rate improved by approximately 10% and the number of students filing the FAFSA in a timely manner improved by approximately 163%. The latter achievement has helped to put the University on a stronger financial footing.

Central to the gains made in the area of the formal infrastructure was the installation of a state of the art telecommunications platform during my first full academic year, 2003-2004. Designed to be cost effective and comprehensive, this platform enables the University to connect with its nine branches throughout the state in a most efficient way. As an illustration, video conferencing is done each day at the rate of a local telephone call to support classroom instruction and administrative meetings.

However, the gains made in the area of the formal infrastructure would have had little value without concurrent gains in the area of the informal infrastructure. I refer here to the relationships among the administrative staff primarily. My year long assessment also included an inventory of the skill level of the staff, their work habits, tendencies, and affinity for working as a team intra-departmentally and inter-departmentally. As a result, resources have been invested in personnel whose daily contributions have a positive impact on the growth of the University. In addition, changes in personnel and redeployment of staff have been strategically pursued to foster the best synergy possible at any moment in the life of the institution.

**RETURNING FROM THE BRINK OF DISASTER**  
**Becker College, Ken Zirkle, President**

During the past 20 plus years in higher education, I have had the good fortune to serve as president of two institutions which faced serious challenges. In each case, the institution had to make some dramatic adjustments or face the real possibility of not surviving. In addition to the knowledge and expertise gained from these experiences, I also served on more than 25 accreditation teams, nearly half of which evaluated institutions that were facing critical, institutional threatening, challenges. Having said this, I am not a “turn around” president nor a “turn around” expert. I will simply share some approaches that worked at one institution and are in the process of currently working at a second one.

In my presentation, I hope to accomplish the following:

- A. Identify types of colleges that are most vulnerable in the face of serious challenges
- B. Discuss common traits shared by institutions courting trouble
- C. Define what can lead to institutional weakness and instability
- D. Explore steps for trying to avert institutional instability
- E. Discuss the impact of attitude and morale on “turn around” strategies
- F. Develop plans for building academically and financially strong institutions

To summarize, I believe that small, independent colleges can have an integral position in the marketplace if they are flexible, understand the ever-changing market, incorporate strategic thinking in their planning, understand the difference between want and need, have an entrepreneurial approach, encourage teamwork, and are disciplined enough to achieve a positive bottom line.

## **FIVE STRATEGIC STEPS FOR TURNING AROUND A COLLEGE OR UNIVERSITY**

By: Richard Greene

### **STEP ONE: THE THIRTY-DAY AUDITS**

- Review Academic, Financial and Human Resources
- Review Existing Contracts
- Learn the Culture QUICKLY –Especially the History and the Values

**STEP TWO:**  
**SET NEW STRATEGIC, BUDGET-DRIVEN GOALS**

- Based on the Audit Reviews, Make Necessary Administrative, Faculty, & Contractual Changes Quickly. \*\*Inform the Board First
- Heal the Wounded –Create a Sense of Excitement & Hope!
- Refocus on the Academic Mission.
- Accept the Fact That Step 2 is the Most Difficult to Complete.

**STEP THREE:**  
**ENROLLMENT, ENROLLMENT, ENROLLMENT**

- New Academic Programs
- New Markets & Directions
- Restructure Financial Aid & Debt
- Flat Tuition Rate vs. Charge By Credit Rate
- Physical Changes on Campus
- New Classrooms and Faculty Offices
- New Technology
- New Enrollment Center
- Improved Student & Plant Facilities
- Need for New Dollars to Fund Projects & Changes

- Fund-Raising (Development) Efforts (Efforts on Hold)

**STEP FOUR:**  
**DEFINING THE ROLE OF THE BOARD OF TRUSTEES**  
**IN A TIME OF CHANGE**

- Fiscal Concerns & Upheaval Allows the Board to Micromanage
- Strategic Tactics for Rebalancing the Power Relationship Between the New President and the Board of Trustees
  1. Role of the Association of Governing Boards
  2. The Impact of Positive Communications & Development of the Trust factor
  3. Restructuring the Board

**STEP FIVE:**  
**FREEZING IN THE CHANGES**

- THE Import of the Selection of the New President
- Commitment by the Board, Administrative Team, Faculty & Students to Keep the Momentum Alive & Moving!

*TURNING AROUND A COLLEGE OR UNIVERSITY REQUIRES  
SKILLS QUITE DIFFERENT FROM THAT OF A PRESIDENT IN A  
MORE STABLE ENVIRONMENT*

The Five Essential Presidential Skills Needed in Order to Turn  
Around an Institution Are as Follows:

- Energy & Enthusiasm
- Ability to Overcome Barriers by Finding Creative Solutions

- Possess Extensive Professional Experiences in a Variety of Academic and Fiscal Settings
- Function as if You Are the Permanent President With Both the Power and the Mandate
- Create a Unified Version For the College
- Symbolic Leadership – Promote Academic Events
- Board of Trustees: Themes-Growth-Academic Quality-Fiscal Stability
- Missionary Zeal-Preach the Message, Sell the Vision