

Dealing with Increased Competition - Income Diversification options for the Higher Education Sector

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Presented
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Presentation Outline



- ❑ Introduction
- ❑ Universities operating in Kenya
- ❑ Response to Competition
- ❑ Video on rebirth
- ❑ Income diversification in Institutions of higher learning
- ❑ Steps in Integrating income diversification in the Institution's strategy
- ❑ Parting shot

Introduction



As the number of public and private universities continue to grow, so does the competition for market survival intensifies.

Competition for survival has been the guiding force for existence and it has been associated with the development of more programs not demand .

(Kamau,2013)

With the expansion and development of University programs , e-learning mode of study and technological advancement, competition has become more complex.

University status in Kenya



According to Commission for University Education (CUE), there are 71 Universities operating in Kenya

30 Chartered Public Universities

5 Public University Constituent Colleges

18 Chartered Private Universities

5 Private Constituent Colleges

13 Universities operating with letters of interim authority

(Source CUE,2017)

Introduction



VIDEO

Competition is real!



Response to Competition



- The emerging competition in higher education characterized by numerous and dynamic changes, institutions of higher learning and other enterprises need to develop capacities for **quick and flexible reactions** in order to survive and develop their competitive **capabilities** in the market or perish .

Response to Competition



- Over the years, Institution of higher learning in the region have had to innovate in order to cope with increased competition and diminishing capitation particularly from the Treasury.
- The income generated has been classified by the nature of the activities:
 - teaching, consultancy, short courses and special production units among others.



Income diversification in Institutions of higher learning

Income diversification in Institutions of higher learning



Identify income ideas that leverage on the following;

1. Institution's core Assets

- ☐ Land /space
- ☐ Equipment
- ☐ Buildings Rooms (Auditorium, conference rooms, Hostels , guest houses)
- ☐ Raw materials
- ☐ Good will



Income diversification in Institutions of higher learning



2. Products and services based on Institution's Core competence.

- ☐ Academic Programs
- ☐ Consultancy services based on available skill in the institution/Staff Capacity
- ☐ Experience
- ☐ Competitive Advantage
- ☐ Institutional Brand/Positioning

Income diversification in Institutions of higher learning



3. Exploit opportunities available in the region/ Address the demand

- ☐ Is there demand for your product/ services?
- ☐ Is the demand sufficient to make business sense?



Income diversification in Institutions of higher learning



- ❑ Consider current and potential demand
 - ✓ Current students
 - ✓ The corporate
 - ✓ Business Community
 - ✓ Broader Community
 - ✓ Government
 - ✓ International market



Income diversification in Institutions of higher learning



4. Consider opportunity of income generation through partnership;

Academic-industry partnerships are becoming increasingly attractive and collaborative as a result of growing economic volatility, competition from emerging economies and a rapidly evolving technological landscape that has changed the way people work, exchange information and conduct research.



Income diversification in Institutions of higher learning



Cont. 4. Consider opportunity of income generation through partnership in;

- ☐ Research
- ☐ Training and Consultancy
- ☐ Innovation and research implementation



Income diversification in Institutions of higher learning



Cont 4. Consider opportunity of income generation through partnership in;

- ☐ Scholarship
- ☐ Business Incubation and job creation
- ☐ Community Development
- ☐ Talent Development etc



Income diversification in Institutions of higher learning



5. Income generation opportunities based on promotion of institutional Vision and Mission/Brand positioning;

- ☐ Technological oriented businesses
- ☐ Promotion of entrepreneurial culture
- ☐ Business and Management related Issues
- ☐ In the pursuance of Inter-religious mission

Income diversification in Institutions of higher learning



Cont .5. Income generation opportunities
based on promotion of institutional
Vision and Mission/Brand positioning;

- ☐ Governance and ethical related mission
- ☐ Community Development focus
- ☐ Educational oriented enterprises

Discussion



S/N	GUIDING PRINCIPLES	POSSIBLE BUSINESS OPPORTUNITIES
1.	Institution's core Assets	
2.	Institution's Core competence.	
3.	Opportunities available in the region/ Address the demand	
4.	Consider opportunity of income generation through partnership	
5.	Opportunities based on promotion of institutional Vision and Mission/Brand positioning	
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Steps in Integrating income diversification in the Institution's strategy



- ❑ Identification of strengths and specific competence to develop a branding strategy (Positioning)
- ❑ Analysis of perspectives for income generation of the university's/Institution activities
- ❑ Investment in people, leadership and management

Steps in Integrating income diversification in the Institution's strategy



- ❑ Separate the management by registering an independent Company to avoid conflict and micro-managing
- ❑ Communication to the Institution's community and towards external stakeholders
- ❑ Adaptation of structures and organization
 - ✓ Separate Organization structure
 - ✓ Management Control System
 - ✓ Relevant Policies
- ❑ Provision of internal incentives

Parting Shot



*Learning and innovation
go hand in hand.*

*The arrogance of success is to think that
what you did yesterday will be sufficient
for tomorrow.*

William Pollard

END



Thank you and God Bless you

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