



Training in the Frame of the Erasmus+ CBHE Project

Role of Universities in the Regional Development (RURD)
609741-EPP-1-2019-1-GE-EPPKA2-CBHE-SP

The European Commission's support for the production of this publication does not constitute an endorsement of the contents, which reflect the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

Co-funded by the
Erasmus+ Programme
of the European Union



“VMU strategy development: best practices and lessons learned”

Assoc. Prof. Dr. Rita Bendaravičienė

2021-03-04



Co-funded by the
Erasmus+ Programme
of the European Union



VYTAUTO
DIDŽIOJO
UNIVERSITETAS
MCMXXII

Išsilavinimas 360°

Strategy is....

‘..the determination of the long-run goals and objectives of an enterprise and the adoption of courses of action and the allocation of resource necessary for carrying out these goals’

Alfred Chandler

‘Competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value’

Michael Porter

‘..a pattern in a stream of decisions’

Henry Mintzberg

‘..the long-term direction of an organisation’

Exploring Strategy



VYTAUTAS
MAGNUS
UNIVERSITY
MCMXXII

Education 360°

Sources:

A.D. Chandler, *Strategy and Structure: Chapters in the History of American Enterprise*, MIT Press, 1963, p. 13

M.E. Porter, ‘What is strategy?’, *Harvard Business Review*, 1996, November–December,

p. 60

H. Mintzberg, *Tracking Strategy: Toward a General Theory*, Oxford University Press, 2007, p. 3



The strategy beast

Areas of agreement

- Strategy affects overall welfare of the organization.
- Strategy concerns both organizations and their environments.
- Strategy involves complex tradeoffs.
- Strategy forms on different levels.
- Strategy involves issues of both content and process.
- Strategy is a “two-edged” sword.

Strategies for better...and for worse

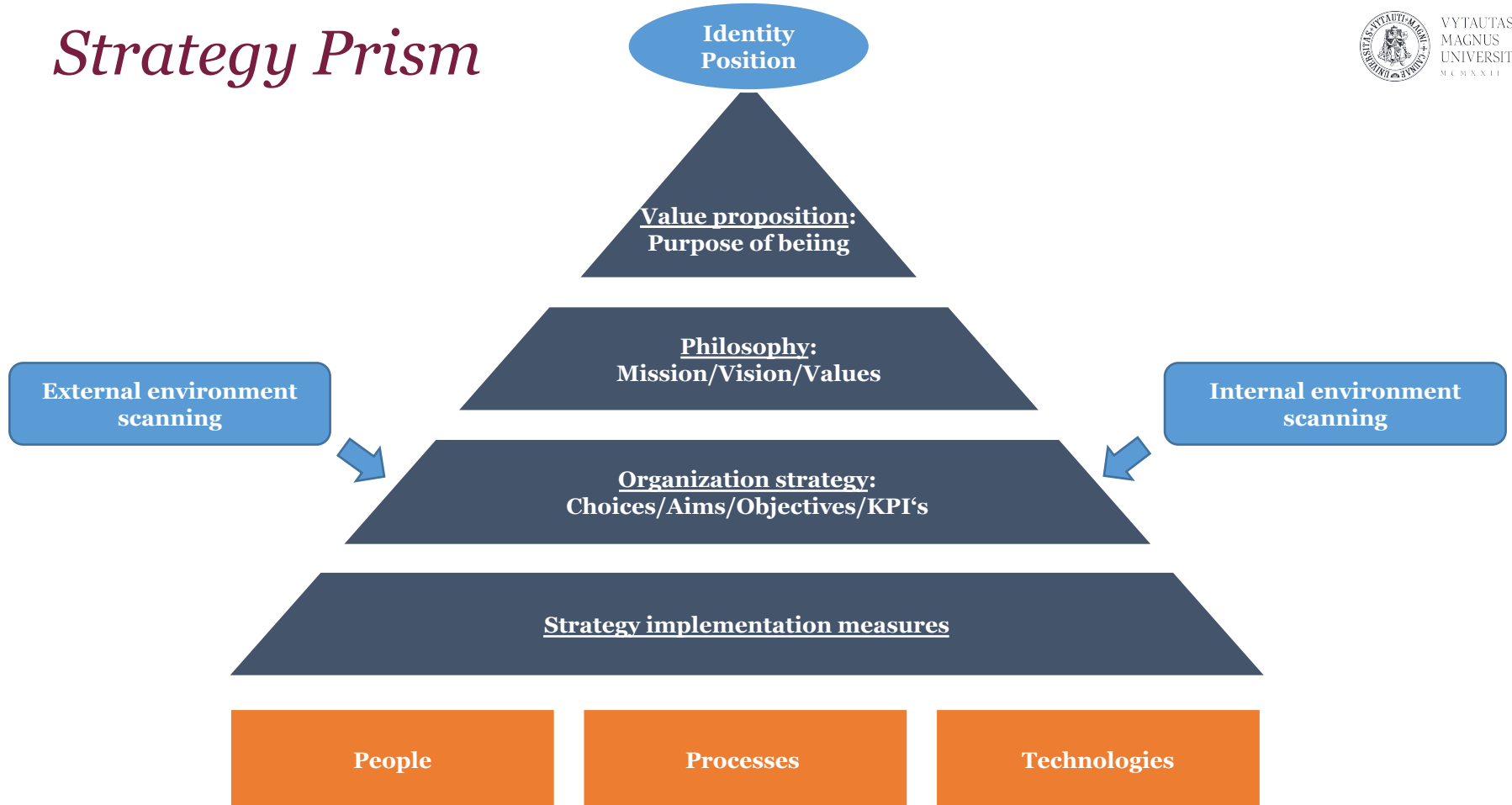
Mintzberg, et. al., 2009, "Strategy Safari"

Gains	Pains
Strategy sets direction: <ul style="list-style-type: none">• <i>Chart a course</i>• <i>Create and maintain cohesion</i>	<ul style="list-style-type: none">• Wrong direction
Strategy focuses effort: <ul style="list-style-type: none">• <i>Promotes coordination</i>• <i>Reduces disorder</i>	<ul style="list-style-type: none">• No peripheral vision• "Groupthink"
Strategy defines the organization: <ul style="list-style-type: none">• <i>Captures essential meaning</i>• <i>Creates shared identity</i>	<ul style="list-style-type: none">• Loss of richness• Stereotyping
Strategy provides consistency: <ul style="list-style-type: none">• <i>Reduces ambiguity</i>• <i>Explains the world</i>	<ul style="list-style-type: none">• Can reduce creativity• Simplify to the point of distortion

Intended strategy vs Realized strategy

- ✓ Did the organization achieve what is intended? *Suspect the honesty!*
- ✓ Has organization realized what had nothing to do with its intentions? *Suspect the behavior!*
- ✓ The real world inevitably involves a bit of this (*deliberate strategy*) and a bit of that (*unrealized strategy*), i. e. thinking ahead as well as some adaptation en route (*emergent strategy*).

Strategy Prism



Achieving Sustained Competitive Advantage

- **The same** competitive landscape: *opportunities* (areas for development and “fit”) and *threats* (sources of uncertainty and “black swans”).
- **Different** abilities: *strengths* (key success factors) and *weaknesses* (resilience and “unfragility”).
- **Unique** identity (revealed, not created): mission, vision, core and distinctive competencies, structure, culture, values, philosophy, history, image, symbols, leadership style, procedures, etc.
 - Continually adapting to changes in external trends and events and internal capabilities, competencies, and resources;
 - Effectively formulating, implementing, and evaluating strategies that capitalize on those factors.



Leaves = end products

Branches = core products

Trunk = core business

Roots = core competency

Distinctive competencies – the main source of competitive advantage.

It is important to consider "fits" between resources plus competencies with opportunities, and also fits between risks and expectations.

“There are three things extremely hard,
Steel, a Diamond, and to know one’s self”

Benjamin Franklin

Competitive intelligence: when theory meets practice

- ✓ Done right, competitive intelligence is a key input to strategic planning.

But the fact is...

- ✓ Organizations aren't conducting an ongoing, sophisticated analysis of their environment.
- While... organizations should be sure they understand the external landscape of their industry at least as well as their competitors do.
- The largest strategic initiatives are driven by external challenge or opportunity – the same to all organizations in the industry.

(McKinsey survey)

Strategic choices: SWOT-TOWS

SWOT analysis helps answer questions:

- ✓ Do you have enough strengths that can serve as the basis for the strategy development?
- ✓ Which weaknesses need to be coped with on the basis of a new strategy?
- ✓ Will weaknesses prevent you from taking advantage of specific opportunities?
- ✓ What opportunities do you have to use with sufficient resources and skills to succeed?
- ✓ What threats to the organization are most dangerous?

Prime Task of Strategic Management

Peter Drucker: Think through the overall mission of a business. Ask the key question:

“What is our Business?”

Mintzberg's Modes of Strategic Decision-Making

Henry Mintzberg has given three most typical approaches of strategic decision making which include:

1. Entrepreneurial mode
2. Adaptive mode
3. Planning mode
4. Logical Incrementalism (*Quinn*)

Entrepreneurial Mode

Strategy is made by one powerful individual who has entrepreneurial competencies like innovation and risk taking. The focus is on opportunities. Problems are secondary. Generally the leader is the entrepreneur and the strategy is guided by his or her own vision of direction and is exemplified by bold decisions.

Adaptive Mode

Sometimes referred to as “muddling through,” this decision-making mode is characterized by reactive solutions to existing problems, rather than a proactive search for new opportunities. Much bargaining goes on concerning priorities of objectives. Strategy is fragmented and is developed to move the organization forward incrementally. This mode is typical **of most universities**, many large hospitals and a large number of governmental agencies.

Planning Mode

This decision making mode involves the systematic gathering of appropriate information for situation analysis, the generation of feasible alternative strategies, and the rational selection of the most appropriate strategy. It includes both the proactive search for new opportunities and the reactive solution of existing problems.

Logical Incrementalism

Top management first develops reasonably clear idea of the organization's mission and objectives. Then, in its development of strategies, it chooses to use “an interactive process in which the organization probes the future, experiments and learns from a series of partial (incremental) commitments rather than through global formulations of total strategies”. Thus the strategy is allowed to emerge out of debate, discussion, and experimentation. This approach appears to be useful when: 1. The environment is changing rapidly; 2. It is important to build consensus, and, 3. Needed resources are to be developed before committing the entire corporation to a specific strategy.

Intuition is essential to making good strategic decisions

- The strategic management process attempts to organize quantitative and qualitative information under conditions of **uncertainty**:
 - ✓ Involve management at all levels
 - ✓ Influence all analyses

- **Intuition is based on:**
 - ✓ Past experiences
 - ✓ Judgment
 - ✓ Feelings

- **Intuition is useful for decision making in conditions of:**
 - ✓ Great uncertainty
 - ✓ Little precedent
 - ✓ Highly interrelated variables
 - ✓ Several plausible alternatives

Pause for Thought!

- What are the main external factors (opportunities) that may be exploited for the development and better value creation?
- What are the main obstacles and barriers (threats) that may negatively affect your activities?
- What core and distinctive competencies do you possess? Which ones are most valuable (VRIO)?
- What strategic choices you should create and make?
- What is your leadership mindset?
- ✓ Find the fit! Your unique value proposition. And capitalize on it.

Questions?

Education 360°

Context

- During the process of preparation of the University Strategy both global academic tendencies and changes in the Lithuanian higher education context, expressed in the recent strategic documents, were taken into account.
- Lithuania's Progress Strategy "Lithuania 2030" (<http://www.lietuva2030.lt>) sets goals to develop the learning society, to create world-class studies and research, strengthening the existing infrastructure and mobilising the best scientific and teaching potential, creating opportunities for interdisciplinary research and development and opening up the research infrastructure for business–science interaction.
- Expert group created by the Prime Minister of the Republic of Lithuania prepared the guidelines for university network optimisation (<http://www.smm.lt/smt/siulymai/gaires.pdf>), emphasising the necessity for Lithuania to have strong universities, competitive on the international scale, oriented to the unity of science and education and universality of scientific research. The main requirements set for a contemporary university are the following:
 - universality – orientation to implementation of multiple specialisations;
 - quality – compliance with international science and education quality standards;
 - internationalisation – provision of international studies and scientific research;
 - interdisciplinarity – designing and execution of interdisciplinary programmes which are most demanding in the science and business.

Input

The development of Vytautas Magnus University Strategy was based on the following key categories of documents:

- Laws and law amendment acts regulating university activity;
- Documents regulating internal order (Statute, Code of Academic Ethics, Study Regulations and others);
- Annual reports for the period of 2002–2010;
- Council and Senate documents;
- Reports on strategic analysis performed in the University in 2010–2011 (opportunity studies on management and development, analysis of internal and external stakeholders in units, strategy implementation action plan, summary of values, internal communication research report, and etc.).

Stages

Strategy development proceeded in the following stages:

1. Assessment of strategic action plan for 2007–2011;
2. Identification of key internal and external factors which define contemporary context of higher education;
3. Identification of the main strategic areas and priorities;
4. Defining the vision, mission and strategic aims;
5. Defining strategic objectives set to achieve the strategic aims;
6. Discussion of the vision, mission, strategic aims and objectives in the Rectorate and their corrections;
7. Discussion of the vision, mission, strategic aims and objectives in the Council and their corrections;
8. Discussion of the vision, mission, strategic aims and objectives in the university units and their corrections;
9. Development of units' action plans and their integration into the University Strategy.

Stage 1

- ✓ During Stage One the analysis of Vytautas Magnus University strategic action plan for 2007–2011 was performed, assessing the formulated strategic aims and objectives against two criteria: level of their implementation and relevance.
- ✓ The results of the analysis allowed eliminating the aims which have lost their credibility in contemporary higher education context.

Stage 2

- ✓ During Stage Two it was aimed to identify the key factors which have impact upon the contemporary higher education context.

- ✓ **The following key factors were distinguished:**
 - Redistribution of managerial functions;
 - Optimisation and changes in academic and administrative units;
 - Increase in internal competition among the units;
 - Decrease in staff motivation;
 - Accessibility to EU structural funds;
 - Demographic factors;
 - Decrease in student motivation;
 - Changes in laws on higher education;
 - Changes in public opinion about higher education;
 - Changes in choice of programmes on offer;
 - Increase in the need to identify leading and breakthrough directions in the university;
 - Science and education becoming more international;
 - Changes in university funding;
 - Challenges of university social responsibility.

Stage 3

- ✓ During Stage Three of strategy development and having taken into account the results achieved during the first two stages, the main strategic areas and priorities were defined.

- ✓ Strategic areas are the following:
 - **social responsibility** (*priorities*: citizenship, cooperation, positioning, impact);
 - **studies** (*priorities*: internationalisation, interdisciplinarity, concentration, quality, diversity)
 - **science** (*priorities*: internationalisation, interdisciplinarity, concentration, quality, leadership)
 - **management** (*priorities*: decentralisation, cooperation, profitability, quality, transparency)
 - **infrastructure** (*priorities*: efficiency, virtualisation, comfortability).

Stage 4

- ✓ During Stage Four, on the basis of the defined strategic areas and their priorities and also the formulated university values (*personal freedom, openness, responsibility, creativity, sense of community, academic excellence, autonomy*) the university vision was corrected and specified, strategic aims were defined.
- ✓ Vytautas Magnus University mission is defined by the Statute, which is approved by the Regulation No. XI-856 of the Seimas of the Republic of Lithuania on 28 May 2010, therefore, it was decided not to make any changes in the mission at present: *“Vytautas Magnus University is a community-based research, art and study institution, which pursues the mission of the University of Lithuania, established in Kaunas in 1922, creates liberal learning conditions for an individual, develops partnerships, takes active part in the life of Kaunas, advances the future of Lithuania, and contributes to the global cultural and academic development“.*
- ✓ The following formulation of Vytautas Magnus University vision is suggested: *“VMU is an active, modern, globally recognised, classical university which fosters the principles of artes liberales, developing creative personalities to both Lithuania and the world“.*

Stage 4

- ✓ It was proposed to distribute the strategic aims into strategic outcomes (this group consists of the objectives which guarantee the realisation of University vision) and strategic enablers (this group consists of objectives which express preconditions for the implementation of strategic outcomes).

- ✓ **Strategic outcomes:**
 - Socially active and responsible community;
 - Reliable international partner;
 - Studies favourable for unfolding talents and personalities;
 - The highest level of science and arts.

- ✓ **Strategic enabler:**
 - Harmonious and creative environment.

Stages 5-8

- ✓ During Stage Five, strategic objectives which ensure the achievement of strategic aims were defined in compliance with the strategic outcomes and enablers.
- ✓ The aims of successfully realised Stages Six, Seven and Eight were to ensure the approval of the strategy on various levels of university management (Rectorate, Council, University Units).
- ✓ In each of these stages the strategy was discussed and corrected taking into account the opinions expressed by the discussion participants.

Stage 9

- ✓ The smoothness of Vytautas Magnus University Strategy development process, active participation of all strategy development participants and their productive contribution allowed to expect that the discussion of the vision, mission, strategic aims and objectives, which was in process in university units, will allow to develop efficient unit action plans and ensure their qualitative integration into university strategy taking into account the interests of all members of the university community.
- ✓ To ensure the continuity of University performance while designing the VMU Strategic Plan for 2012-2020 and setting the strategic goals for University activity, as well as naming concrete measures for the implementation of the goals and objectives, congruence with the previously defined University mission was sought.
- ✓ VMU Strategic Plan for 2012-2020 (including a short-term plan until 2012 and long-term plans until 2016 and 2020) was approved by VMU Senate on 29 February 2012 and VMU Council on 19 April 2012.

Summary

- ✓ Duration: 2 years (2010-2012, EU funding project);
- ✓ The Study of Opportunities, Analysis of internal and external stakeholders (2010-09);
- ✓ 11 learning visits to foreign HEIs for best-practise examples (*Tallin University, Estonia; Napier University Business School, Scotland; Linneaus University, Sweden; Case Western Reserve University, USA; Michigan University, USA; Groningen University, The Netherlands; Richmond University, USA, Virginia Commonwealth University (USA), Università Cattolica del Sacro Cuore, Italy; Center of Higher Education Policy Studies (CHEPS), Twente University, Enshede, The Netherlands*) and International events, e. g. OECD conference (16 attendees);
- ✓ 8 strategy training courses for more than 100 University's members (*Finance and Performance Management; External and Internal Communication; Presentation Skills, University's Vision and Mission; Creativeness Workshops, HRM&D in Transforming Universities; Dynamic Strategic Management, Understanding Others to Make Better Decisions*);
- ✓ 39-hour seminar experience working with VMU leadership team (8 meetings, 4 months, 4 iterations).
- ✓ Disemination Conference (2012-02-23) "The Future of Higher Education: Where Should We Go?" (140 participants from Lithuania).

Key Insights

- ✓ Strategic planning is a hard work (even if well structured)
- ✓ It requires the commitment of time and resources (both human and financial)

but,

- ✓ It gives a better picture and direction (planning: reactive vs. proactive)
- ✓ Better awareness of strengths (competitive advantage) and capability gaps (weaknesses)
- ✓ Competitive intelligence (Environmental Scanning)
- ✓ Resource allocation, i.e. making (right) choices
- ✓ Developing skills and knowledge (abilities) for the envisioned future

and, most importantly

- ✓ It grows organizational inclusion, participation and strengthens collective attitudes, commitment and the “sense of us” (identity).

Implementation?

- ✓ KPI's approved by VMU Council on 2015-03-05
- ✓ Ongoing higher education reform and university network optimisation in Lithuania has led to the merger between Vytautas Magnus University and Aleksandras Stulginskis University (ASU) and the Lithuanian University of Educational Sciences (LUES) in 2019 (1 st of January).
- ✓ Reallocation of resources, attention and efforts.
- ✓ Focus on external reorganization instead of internal coordination and consistency.

Main Facts

- ✓ On 15 September, the Council of Vytautas Magnus University (VMU) re-elected Academician Juozas Augutis as the rector of VMU for a term of five years. The new term began on 1 October, 2020.
- ✓ Strategic action plan for 2021–2027 was developed based on the newly re-elected Rector's programme for 2020-2025 and approved by the VMU Senate and Council on 25 November 2020.
- ✓ The plan was prepared by members of the VMU community through surveys, seminars, and group work. The project was discussed in academic and non-academic departments, and the opinion of the alumni was listened to. The suggestions made were taken into account and the document was edited.
- ✓ The measures and KPI's for the VMU strategic plan are still under development and will be presented to VMU Senate on the 24th of March, 2020.

Key Insights

- ✓ Due to the pandemic situation Rector's elections were postponed from May 2020 to September 2020.
- ✓ VMU strategy 2012-2020 was becoming “obsolete”.
- ✓ The Lithuanian HE landscape has changed. VMU has changed as well (*integration processes of the Education and Agriculture academies will continue*)
- ✓ Duration: approx. 2 months of “writing” and 1 year of “pre-writing”
- ✓ The sense of urgency?
- ✓ The “sense of us”?
- ✓ Result vs Process



Where is your attention?
Crisis or Opportunity?
Ocean or Iceberg?

Organizational development =
strategy + people + processes

The people part of that equation
is often the most challenging
and important aspect.



Thank you

rita.bendaraviciene@vdu.lt