Scene: Office of the University President. Annual review of professional and continuing education division.

Continuing Education Administrator: Mr. President, I am pleased to report another good year. Enrollments and revenue are up, and our increased net margins have allowed us to make an impressive contribution to the university this year. We are also aggressively streamlining our operations.

President: Well done! You have had a good year, and we are counting on you to do even better next year. Your division is a great success—an example to us all. I know I can count on you to show us how to do more with less.

End scene.
INTRODUCTION

As pressure grows on continuing education operations to maintain or even increase their contributions to the parent institution, the imperative to consider partnerships with outside organizations for some aspects of institutional operations should be a key consideration. But under what circumstances does partnering make sense? How can a CE unit create conditions for effective partnerships? How can partnerships be properly monitored and terminated?

The concept of “partnership” is used broadly to describe working relationships between two parties toward shared goals. Unfortunately, partnering with an outside organization or consultant is also often mis-construed as a simple buyer-seller relationship whereby goods or services are traded at specified prices. For the purposes of this article, partnership has broader meanings: constant exchange; strategy and communication between parties; and collaboration on shaping, addressing, and revising critical strategic objectives. Viewed from this vantage point, partnerships are crucial to long-term institutional health.

As University Professional and Continuing Education Association (UP-CEA) member institutions evolve and come increasingly into competition (especially online) with one another and with for-profit colleges, learning to evaluate and manage partnerships with outside organizations effectively becomes a critical skill for senior administrators to acquire and exercise. The aim of this article is to provide perspective on partnering effectively.

SHOULD WE ESTABLISH A PARTNERSHIP?

Like most sectors of the economy, higher education must make its way in an environment of scarce resources. There is very little margin for operating error, and decisions about allocating staff time and funding initiatives have to be made with considerable thought. Just as the private sector has turned to outsourcing as a way of achieving efficiencies, higher education has become aware of the value of working with outside organizations to help them make the best use of their financial and human capital.

The potential advantages to partnering are considerable. They include:

• Cost savings or cost restructuring (e.g., moving from fixed to variable costs)
• Adding capacity or building new systems to accommodate larger-scale operations
• Allowing staff to focus on core functions or to streamline work
• Facilitating quick access to best practices
• Building internal expertise by observing outside specialists

But the potential drawbacks are also considerable. Among them:
• Loss of control—becoming dependent on an outside party
• Loss of internal expertise, even if that expertise is below a level available externally
• Subtle declines in work quality over time as outside organizations focus on other universities or new challenges
• Political costs of overcoming internal resistance to working with outside parties

Thus, for any strategic objective and resulting operational plan, UPCEA members should ask themselves:
• Can we achieve our objective on our own at an acceptable cost?
• If not alone, can we achieve our objective with the help of an outside organization?
• If we cannot achieve our objective alone or in partnership, is our objective reasonable?

Even before committing to investigating the possibilities of partnering with an external organization, CE leaders have to make a pragmatic assessment of the institutional climate. Without the support of key stakeholders—faculty, departmental heads, deans, provost, president—a continuing education unit may find that the institutional culture may make even the most reasonable initiative impossible to undertake, much less implement.

ENGAGING AND EVALUATING POTENTIAL PARTNERS

Organizational problems often reach a crisis point precisely because resources and expertise are not available internally to address them. And there are occasions when we do not know the nature or extent of challenges that we face.

Both situations suggest the value of engaging potential partners early on as participants in the strategic planning process and before strategic objectives are finalized. Administrators can start the process through Internet searches, conversations with peers, and referrals from professional organizations. Informal conversations with potential partners are valuable not only for getting a feel for the culture and general approach of an outside organization but also for learning more about similar problems that
other institutions have faced. In turn, potential partners can learn about an institution’s particular (often peculiar) situation at a time when they have maximum latitude to offer perspective and describe available resources toward designing a solution.

If a partnership is worth exploring, developing a transparent evaluation process for potential partners is important. The process may involve drawing up a request for proposal (RFP) or memorandum of understanding (MOU), but the most important part of the evaluation process requires direct and frequent communication with both internal stakeholders and outside parties about what is important to the institution: the challenges at hand, the objectives that have already been established, and the degree to which the objectives can be reshaped as part of the process. A transparent process should also involve sharing any important financial, organizational, or cultural constraints. The institution’s willingness to be forthcoming is the key to determining whether any viable partners exist, and which partner offers the optimal fit.

Transparency should extend to both parties. Several years ago, one of us conducted a months-long RFP process on behalf of the institution, selected a partner, began the initial operational phase of our partnership, and then was surprised to learn that another company had acquired the partnering outside organization. The ensuing circumstances required our university to start the RFP process over from scratch, wasting precious time and resources. That the prospective partner was for sale or that potential suitors were circling was a fact that we should have uncovered during the due diligence phase, but it should also have been part of the dialogue.

In evaluating prospective partners, institutions should seek answers to several important questions:

- How can a partner help us articulate and identify our objectives or solutions to our problems?
- What is the prospective partner’s track record of success in helping institutions address challenges like ours?
- What references are available to answer questions, such as the partner’s ability to keep projects on time and on budget?
- Which of our immediate concerns about a partnership can any prospective partner address?
- Are our organizations sufficiently compatible to ensure a long-term collaboration?
• How do they handle shared data? What assurances can they offer regarding privacy and security of critical information? If FERPA is a factor, do they submit to American Association of Collegiate Registrars and Admissions Officers (AACRAO) FERPA audits or other independent reviews?
• Is the potential partner’s own business healthy enough to support and sustain a strong long-term partnership?

An institution entering into discussions with potential partners should be careful that the evaluation process not affect the prospects of partnering in a negative matter. For instance, one of us on the non-university side was recently involved in a diligence exchange that became so onerous that we doubted whether the institution was likely to respect our expertise and trust us to act with sufficient independence once the partnership was formalized. Perhaps due to inexperience on the part of the institution, the tone of the discussions and the institutional demands exceeded the rigor of the usual evaluation process. The university decided to postpone the partnership indefinitely after the appointment of a new president, avoiding what could have been a messy situation. While institutions should perform a thorough vetting of potential partners, they should also be expected to explain the justification for requests for information that the outside organization deems extraordinary.

In the case of partnerships that are likely to require substantial institutional commitments of resources and time, it can be advantageous to engage an independent third party to manage the process and to recommend a partner. This is especially true of large-scale and complex partnerships in areas such as technology where specific expertise may not be resident at the institution. The reviewer should have no expectation of future business with the institution related to the partnership and no bias toward any potential partner. The third party must not only represent the interests of the institution, it must also mirror the institution’s character and judgment, and make recommendations accordingly. Although hiring a third party adds to the overall cost of the partnership, there may be savings in terms of staff time, since the third party, rather than institutional staff, will perform most of the due diligence.
SUPPORTING A SUCCESSFUL PARTNERSHIP

The success of any partnership is not guaranteed but institutions can take steps to maximize the chances of success, while minimizing the accompanying headaches.

Before a partnership goes “live,” the parties should ensure that their objectives are aligned through contractual agreements. When writing a partnership agreement or during the early phases of implementation, both parties should agree upon standards for success and on definitions of measurement. We recommend developing jointly written documents detailing primary and secondary measures of success and definitions of the underlying measurement terms. For instance, if a university and an outside organization are working together to grow enrollment, both parties may agree that absolute enrollment figures are the primary success measure, while improvement of inquiry conversion rates are secondary measures. Enrollment may be defined as the number of students still enrolled on the first day of the fourth week after initial enrollment, or after a formal “census” date passes. Specificity at this stage is important as, after a tremendous amount of work on all sides, it serves no one’s interests to be bickering.

It is also useful to articulate penalties for failure to achieve goals. For instance, IT-related partnerships might call for penalties for unexpected system interruption or downtime because system availability is paramount. Similarly, one of the authors was responsible for engaging a partner to develop and support new online programs. The agreement stipulated that all parties were only paid when students paid tuition. Thus, students had to enroll in sufficient numbers—and stay enrolled—for either party to come away happy with the financial result.

As part of the financial parameters of the partnership in the initial contract, we encourage all parties to include contingency funds to support changes and new initiatives related to the partnership. No amount of planning can take into account conditions and opportunities that arise once joint operations begin.

Whatever the wording of a contract, partnerships involve patience and flexibility from the outset. University staff must be aware that in entering a relationship with an outside entity, they will inevitably have to give up some level of control. They have to recognize that the reason the partnership exists is because someone else has the necessary expertise to perform an existing function more efficiently or the experience to undertake a new initiative. This could mean a significant change in the way that the university
does things, or even a shift in institutional values. For their part, outside staff must be sensitive to the organizational and environmental nuances that are peculiar to an individual university. Every university is different, and the path to success varies from institution to institution.

One way of building a relationship is to create opportunities for training players to understand each party’s roles, operations, and expertise. Understanding everyone’s roles and imperatives, developing some empathy for their challenges, and gaining a realistic picture of how participating parties currently get their work done can go a long way toward establishing a positive climate for a productive partnership.

Planning and training are only the beginning, however. Partnerships require resources, among which none is more important than executive presence—that is, the participation and sponsorship of someone who has significant authority and stature within the organization. It is not necessary for the executive to attend every meeting, but the executive in charge must be informed enough about the progress of the partnership to make decisions about bringing additional staff when necessary. The executive must be present enough so that all participants understand that their work is important to the institution.

At the operational level, the executive should provide staff and appropriate outside team members sufficient latitude to make decisions. Conditions change, new information becomes available, and unexpected constraints and opportunities emerge; teams need independence and support to respond.

Once partnership operations commence, regular points of communication are essential. Constant communication between the university and “on-the-ground” members from the outside organization must be the norm. Operational team leaders should hold status meetings frequently (at least once a month) and transparently to discuss progress and results. Executives should receive regular briefings on partnership operations and participate in quarterly or twice-annually program reviews and strategy sessions. The flow of information through all levels will ensure that there are no surprises and that crises are dealt with quickly.

ENDING A PARTNERSHIP WELL

Partnerships can last for days or decades, but having an idea at the outset about what conditions might trigger an end to the relationship is helpful to everyone involved. For instance, one of us has substantial experience
working with an outside company that helped our unit to bring several academic programs online in a way that we could never have done as successfully on our own. During the partnership structuring process and as a part of the initial agreement that we both signed, we agreed to two important terms: First, our relationship was not open-ended. It had a specified end date after which the university expected to be running the operations that the partner had led during the partnership. Second, if the programs’ enrollments did not meet specified goals at intermediate points during the life of the agreement, we had the option to cancel the agreement before the intended term was complete. Thus, we had a long-term end date and contingencies for ending early.

The value of planning for the end is that the end of the partnership comes about because of a joint agreement rather than a dispute or crisis. Thus, our second piece of advice about ending partnerships well: Be respectful and, no matter what the circumstances, act honorably, if only to protect your reputation as an honest player in the marketplace. Nothing is worse for a university than developing a reputation as an unreliable partner, or for an outside organization to be viewed as ineffective. Negative news is much more powerful than positive news, so it is best for both parties to work actively to avoid generating it.

WHEN NOT TO ENTER A PARTNERSHIP

Rick Page’s *Hope Is Not a Strategy: The 6 Keys to Winning the Complex Sale* (McGraw-Hill, 2002) is a guide to enterprise sales and a good addition to the library of staff members responsible for establishing university-corporation partnerships. The title itself captures an important perspective: If, after careful diligence, there remains a significant risk that developing a partnership is unlikely to increase the chances of success toward strategic goals, avoid the partnership. This may seem obvious, but all of us have seen what investment bankers call “deal heat,” which can occur around high-potential projects in any organization: Everyone gets excited about the possibilities, more and more resources are committed to investigating and designing a potential partnership, then, before anyone realizes what has happened, an agreement is consummated that relies on an overly optimistic vision of the future while under-emphasizing any downside potential. All of this can be avoided through careful, realistic diligence and ongoing input from objective parties.
In particular, both sides should pay close attention to the partnership’s business plan, which should enumerate the required resources and expected financial outcomes with as much specificity as possible up front, knowing that needs will change once any partnership gets underway. Not only is thinking closely about partnership finances important for the end product—a business plan—but asking both sides to focus on the money also has a way of moving conversations from ideas and possibilities to pragmatic realities.

Finally, one way to get an early read about the suitability of an outside organization is to observe the way it does business during the evaluation process. If responses to requests are consistently late or if the prospective partner submits material that appears to come from a generic template without sufficient attention to the university’s particular situation demands, the signs are clear: No matter how skilled or experienced the organization, it is not likely to be a partner to be trusted.

**CONCLUSION**

As with all things, no amount of advice can replace direct experience. Most institutions already have significant experience working with outside parties—vendors, consultants, and even other universities—to achieve important objectives. Partnerships run deeper and include formulation of strategy, interdependence, and higher levels of trust between organizations. They can benefit all sides by helping them to achieve objectives that they could not have achieved themselves. Partnerships can also be dismal failures, tremendous distractions, and large wastes of resources. Our best advice is to explore liberally but commit conservatively, remembering that in a dynamic and competitive marketplace, no institution can thrive entirely on its own. 🗣