Delivering Public Service for the Future

Higher Education Real Estate: Cost or Catalyst for Achieving Your Academic Vision?
It is becoming increasingly apparent that higher education institutions will need to review their considerable investments in real estate to optimize the returns and secure financial stability to deliver public service for the future. Rating agency Moody’s says that most universities need to lower their cost structures to achieve long-term financial sustainability and fund future initiatives. And of the 925 colleges Forbes graded on financial fitness, more than half would be considered C students, and 108 schools earned a D–.

North American colleges alone manage 250,000 facilities, 5 billion square feet, $15B in annual construction and renovation, and $20 billion in annual maintenance, operating and utilities. Real estate costs continue to rise, especially with the majority of higher education assets (58 percent) being more than 25 years old. These assets are often outdated, inefficient and don’t have the infrastructure needed to support new technology. As approaches to learning evolve, these facilities cannot accommodate.

What if higher education leaders were to remodel their portfolios of brick and mortar assets to a facilities strategy that enables flexible environments for learning?

**Leading with learning**

Learning is the cornerstone of every academic institution and higher education leaders need to use their academic vision as the foundation for structuring their facilities portfolio.

Facilities can support where, when and how learning environments are used creatively to attract and meet the needs of 21st century students and faculty.

Higher education leaders can begin the process by considering questions such as:

**Where do students learn?**

Create the learning environment where the learners are. Are they at home, abroad, in the classroom, in transit, in a workplace? Answers may inform decisions to use non-traditional spaces, such as community spaces, which are distributed versus concentrated on campus.

Consider positioning campus buildings closer to industries and high schools where students can collaborate with professionals or prospective students. Creative approaches, such as leasing or sharing space versus buying it, may also deliver cost savings and allow the institution to operate with greater agility.

**When do students learn?**

Today’s students are learning all the time—nights, weekends and even year round. They are also learning at different times in their lives, such as after retirement. Learning would be more accessible if academic institutions could integrate it where people live and work.

**How do students learn?**

Learners of all ages and abilities respond to interactive, real-time, accessible learning. Some academic institutions are appealing to different learning styles by delivering information in new ways, such as moving a class lecture online, but keeping face-to-face discussions in the classroom. Sixty percent of technologists predict that by 2020, “there will be mass adoption of teleconferencing and distance learning” and a transition to this hybrid delivery of classes.

Once universities have defined the where, when and how, they need to translate that into a strategy for how they should alter physical space to accommodate the future vision.

With a vision of creating a permeable boundary between classrooms and study spaces, Duke University created the LINK Teaching and Learning Center. LINK includes flexible/configurable space for classroom or small-group learning, real-time video capture and playback, classroom videoconferencing and multimedia computing stations. More than half of students and faculty rank the space as “one of the best classrooms at Duke.”
Creating a blueprint for change

A variety of stakeholders—financial officers, administrators and outside partners—must work together with real estate planners to architect the plan for developing and using space in creative ways that support the academic mission. Universities cannot rely on facilities managers alone to develop a strategy.

Steps to developing a portfolio strategy might include:

• Map out the learning environment that can support modern learners and flex capacity to accommodate student enrollment.
• Create a strategic plan to fill gaps and eliminate misalignments in the current portfolio.
• Work with private and public entities to develop plans to leverage and transition current assets.
• Assess the real estate investment income and budget savings to support universities academic mission.

Some higher education institutions have begun to proactively and critically evaluate the role of real estate in the organization. Virginia's Community Colleges, for instance, performed a benchmarking analysis to find ways to improve student access and affordability.

“One of the opportunities that our study of facilities revealed is that we have opportunities to improve our real estate investment to support our academic mission through more effective space planning and scheduling,” said Bert Jones, the Colleges' associate vice chancellor for facilities management services.

The University of Maine is tying together restructuring of classroom space and renovations into a comprehensive strategy for space renewal.

“Our capital investment and facilities management strategies needed to be data-driven, flexible and clearly communicated through a comprehensive plan based on institutional priorities,” said Janet Waldron, senior vice president for administration and finance.

As universities map out a vision and transition the old real estate portfolio to match that blueprint for delivering learning, they can also lay the foundation for more effectively serving future generations of learners.
What does it take to deliver public service for the future? Public service leaders must embrace four structural shifts—advancing toward personalized services, insight-driven operations, a public entrepreneurship mindset and a cross-agency commitment to mission productivity. By making these shifts, leaders can support flourishing societies, safe, secure nations and economic vitality for citizens in a digital world—delivering public service for the future.

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Reference


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