

Presented to the
faculty of
Hendrix College
at Fall Faculty
Conference,
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by President
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Ph.D.

Repositioning Hendrix

I hope all of you had a wonderful summer and that you got some rest. You accomplished great things last year.

My summer was magical. I spent the summer reading works like *Huge Harold*, *The Spooky Tail of Prewitt the Peacock*, *Chester the Worldly Pig*, *Kermit the Hermit* and other of my sons' favorites ... Then, of course, there was *Heart of Darkness* and several viewings of *Apocalypse Now* for my Masterworks section.

Somewhere between Boston and Asheville, my son Samuel lost his first tooth. That was a big deal. Later that day I was telling my three-year-old Thomas and five-year-old Samuel about the Tooth Fairy and in the course of that discussion the three of us shared one of those rare moments of deep philosophical and theological insight found only in places like the Platonic dialogues or in a Hendrix class with Tom Goodwin.

Following a prolonged reflection on the wand carried by the Tooth Fairy, Thomas, my three-year-old, said "But, Daddy, good magic and bad magic in the same wand?" He had landed on a core ontological problem.

I, of course, knew he was posing an age-old question - the problem of evil or perhaps it was the dichotomy of the self or perhaps the nature of our existence. I tried to illustrate the issue to him by reminding him how at one of last year's basketball games against Rhodes, the good, sweet, kind, young Thomas had leaned over and spit into a woman's purse.

I tried to tell him how this actually did demonstrate the nature of the duality of existence. You know the good and the bad, the divided self, and all that stuff. I don't think my sons got it. I am not sure I did.

But it is true in a way, isn't it? "Good magic and bad magic in the same wand...."
"The best of times and the worst of times all mixed together...."

As I walked around the perimeter of campus the other day, I was reminded of this truth when I reflected on our legacy as an institution and a community.

If you have never taken note of the monuments on the stone walls around campus, it is worth a look. There are plaques with the classes of 1914, 1929, 1941, 1945, and so on listed on them.

Many of those dates, as points in the history of this place, this community, represent difficult, harsh, and even brutal times. And 2001-2003 represent harsh times for our community, our country, and our global community.

Yet there were wonderful things happening on this campus during those same tumultuous times - beautiful things - lives being transformed and worthy values being cultivated.

No doubt the faculty and staff, during those challenging times in the past, made great sacrifices because they loved this place, this community, and the mission and values of liberal learning.

What legacy are we going to leave?

We are at a transformational moment for the College in a number of other ways

We have had challenges and you too have made sacrifices. You are part of the legacy of this place. One day there will be plaques on stone with all of our names on them.

Behind each of those names will be the story of what you as a member of this great faculty and staff have done as part of the legacy of this community. Because it is the story of what you do everyday that makes this institution come alive.

What legacy are we going to leave?

The success of the Journeys course, the change to the semester system, the retooling of the entire curriculum, the work of the council of new student advisors, the creation and design of the new First Year Experience Seminar, the creative thinking in the conclusions given to the community by the Enrollment Task Force, the implementation of the new library technology, and the hard work you have already done on the rewriting of the faculty handbook – all of these are of course only a part of the wonderful legacy you are creating for the community.

You are transforming lives in creating and advancing an intensely intellectual, yet supportive academic environment - an environment that advances culture and liberal learning.

I want to commend you for continuing your work on the faculty handbook. You are taking up a very difficult, but critical component of the handbook this year.

What is it that we expect of each other? How are we going to evaluate each other? In this guild we have the unique privilege of defining for ourselves certain standards and methods we will use to hold each other accountable and to cultivate excellence in our calling. This is a critical moment for the College. You will leave a legacy. Embedded in your deliberations will be the fundamental question of what does it mean to be a community: What does it mean to be a member of this community? What is fair, just, and necessary to serve students? I wish you all the best as you begin to take up these issues today.

We are at a transformational moment for the College in a number of other ways. I want to give you a preview of what we are facing. I want to explain to you how we are at one of those defining points in the history of our institution and our community. **Our response must be bold.** Instead of thinking in terms of how we can do things a little bit better each year, we must think in terms of how we should respond to reposition Hendrix in the face of a radically different and a challenging external environment.

But before I discuss those challenges and preview our response and the processes that will be occurring this year, I want to deliver some news and make some introductions.

First, as of today we have 300 new students who will be arriving in the fall. I want to thank all of you on the faculty who worked to help make this happen. I also want to recognize the hard work of the Admission and Financial Aid staff and in particular Amy Anderson and Rock Jones for their leadership. Well over 50 percent of this year's class will be from out of state. We also reduced the discount by 6 percent.

In addition, I am pleased to introduce to you Karen Foust our new Vice President for Enrollment and Dean of Admissions. She comes to us from a successful 18 years at Valparaiso University. I know you will enjoy getting to know her and working with her.

I also want to recognize and thank all of the senior staff and their administrative teams for their dedication and hard work this past year. They orchestrated major restructuring and change. And they maintained grace and compassion.

Now I want to talk with you about the challenges we must face together as well as the vision and audacious set of new goals we must all have to move Hendrix into a position of great strength in the years ahead. In his book *Good to Great*, Jim Collins says that to be great you must first confront the harsh and brutalizing realities in your environment. We are not going to shy away from that, but we confront those realities with confidence and determination.

I have always come to you and spoken with great candor. That is the only way to truly be a community – no matter how challenging the path, we can all make it up the path if we are united around a common truth.

We are a liberal arts college and that is a precious thing. Of the more than 3,000 higher education institutions in the United States, only 217 of them are liberal arts colleges. Of the 14 million students who go to college each year, only 250,000 of them come to liberal arts colleges. We are a precious thing indeed.

Our goal is to continue to become great and to be regarded as a peer among the best liberal arts colleges in the nation. We will not waver in that goal and we will not compromise our core values and our enduring purpose.

So first why do we need to think in terms of a dramatic repositioning of the College?

All of America's liberal arts colleges face a reality of a future of unprecedented uncertainty. We face a reality in which predictability with regard to critical operating variables and the external environment is almost impossible. This environment means that it will be difficult to sustain and perpetuate any of the competitive advantages we may have achieved. This is new terrain for liberal arts colleges – many who believed that they had a fixed place in the market. The past three years economic and market environment has shaken even the most stable institutions in our state and our country. This impact will extend through this decade if not longer. As a result some liberal arts colleges will find that they are no longer viable. We will not be one of those!

The violence at home and abroad and the fact that in this recession our country has lost 3 million jobs have been bad enough. But college endowments have also experienced three straight years of painful losses. In this environment there has been a rising pressure on all private colleges to increase tuition discounting, meaning we have seen an erosion in our net revenues. We too have had to move to meet the market to sustain the quality and size of classes we want.

I don't have to repeat for you the unique and distinctive challenges for Hendrix. I will only remind you that even with the partial restoration of the state scholarship program, our traditional in-state markets have grown extremely competitive, particularly with the \$200 million Walton Honors College Scholarship offerings. As a trustee of Williams College said, "I am at the tail of a long line of thoughtful, devoted board members. They have had many concerns over the years, but surely none had to worry about competition from the University of Arkansas. We worry about such things now."

That is why it is critically necessary for us to quickly differentiate ourselves from our number one competitors – in-state four-year universities and honors colleges – and from our peer institutions. We must reposition ourselves in the market and articulate our value in a new and aggressive manner.

Hendrix has always taken decisive, courageous, and enlightened action to face the realities of its existence in each new era; as a great college community of learning and faith, we know we will prevail in the face of any challenge, but we must work together for the common good. We must all be dedicated to this institution and we must be willing to do whatever it takes to keep it strong. That may not be an easy path, but it is the noble path.

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In recognition of the external threats and opportunities, we have taken a number of steps.

First, during the early years of my tenure— even while confronting the budget crisis — Rock Jones and I have been laying the plan for a **major new comprehensive campaign to reposition the College**. This campaign must be bold and aggressive and be of a sufficient magnitude to help shift our competitive position. We have a national consulting firm working on the structure and the design of the campaign and working with the trustees to assess the amount of money we can raise. Our focus will not only be on the new campus center and wellness center, but on measures to radically increase our endowment and our annual gift revenue.

Second, you have worked with me on **bold and unprecedented reductions in costs and expenditures**. This has given us a balanced budget this year and we hope to meet our balanced budget goal for next year as well.

Third, Rob Young and I have been working on the development of a **budget equilibrium plan and a comprehensive ongoing institutional expenditure control and strategic restructuring plan**. This plan is guided by an idea developed by Colonel John Boyd called the COODA Loop. Namely we must collect data on the external and internal environment, observe, orient, decide, and then act faster than our competitors. We need to continually develop a lean, recession-proof organization with powerful momentum and synergism. This requires an organization that can maneuver against a harsh environment with speed, agility, and flexibility. We must be as lean as possible. Heavy, large, slow, hesitant, reluctant, and non-innovative are attributes doomed to failure in the new environment we face as liberal arts colleges, just as they are in other sectors of American life. That is why Rob and I will continue to work with you on your budgets in an ongoing way to cut costs, and that is why we will continue to look for innovations in our traditional staffing patterns and other places to reduce costs. We innovate or die. I ask that you work with us for the common good.

Fourth, we have engaged the Board of Trustees in a **rethinking of our positioning as a college and we have been discussing the resources necessary to sustain their vision of a world-class liberal arts college**. We will have a Board retreat in October to establish new priorities to achieve our envisioned future between now and 2013.

Fifth, we have been working with the best higher education research firm in the country in **analyzing our competition, our price, our discount, our market positioning, differentiation in the market**, and a number of other things. That group is called Art and Science. We have also been working with the best admission consulting firm in the country, GDA.

The Board will hear the full reports from all three of these firms: Art and Science on price and positioning; Marts and Lundy on the capital campaign; and GDA on admission and strategic marketing at the October retreat.

I also want to tell you that Art and Science will be on campus on September 16 and 17 to present their findings to the campus. I am going to give you a preview today of some of their findings and offer some possible responses as to what we might do as a result of their empirical data. I also want to announce that we will have a series of focus groups and other avenues for reaction, response, and suggestions after their campus visits so that we have that information going into the Board retreat. I will appoint a Commission of faculty and staff to organize those campus response sessions. The Commission will be led by Frank Cox, a Trustee, an alumnus, and a member of the Executive Committee of the Board. So, this will be the Cox Commission.

Art and Science

Their study has been extensive. Will members of the team that have been working with them please raise your hands? A&S have been back to campus on at least three occasions presenting various levels of their findings. On August 11 they came to campus and presented to the working team their recommendations based on their empirical study.

I want to give you a preview of some of those findings and recommendations. Then I want to present to you some very preliminary suggestions for how we might act on their findings.

So for their findings....

Hendrix competition is very unlike us. It is mostly larger out- and in-state universities and about half of them are public.

In-state students represent only one quarter of our inquiry pool and yet they are more than half the College's admitted pool. In other words, we are converting a very small percentage of our inquiry pool to applications - only about 4 percent. Once out-of-state students apply, they are as likely as in-state students to matriculate. Given the in-state competition, we must focus significant new resources on our out-of-state markets where we have a relatively shallow market penetration.

The factors that Hendrix consistently loses ground to its competitors on are atmospheric rather than quality related. Those include sense of fit, breadth of the program, and an active, vibrant social life. All of these relate to size and not culture.

The data also shows that prospects are looking for a more identifiable hook on which to hang the Hendrix identity.

It appears from the data that 50 percent of individuals who apply to Hendrix are motivated in some way because of the College's strength in the sciences.

In addition the data shows that if we strengthened cultural and expressive arts and aggressively promoted visibility in both the sciences and the cultural and expressive arts, the College would stand to gain in overall enrollment.

Other programmatic elements that are or would be helpful to strengthen are global studies, entrepreneurial studies, and interdisciplinary studies. But these do not have as much impact as science and the expressive arts.

Before I say a word about positioning platforms and possible actions we may want to consider, I did want to say a word about price. Hendrix prospects are highly price sensitive in their decisions whether to apply, and they are highly price and aid sensitive in their decision to matriculate.

This means that in the current environment, without strengthening its competitive appeal and market position (both in state and out of state), Hendrix cannot reposition its tuition upward significantly or decrease aid substantially without an adverse effect on enrollment and net revenue. Given our trend lines, this is not a sustainable position for the College.

One alternative is to jump our tuition into line with the mid-range of our peers in conjunction with a dramatic repositioning of our market identity, and then give a substantial amount of that increase back to students in the form of honors awards. Over time as the market identity is strengthened, we would decrease the discount and

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thus increase net tuition. This is a risky strategy, and we may need to strengthen our market position first through a bold new initiative.

So for positioning platforms: First, A&S tested a number of cultural perceptions that may or may not exist in the market of the College, such as liberal, politically correct, gay/lesbian, outdoorsy, rah rah sports, geeky, etc. None of those have any impact on students' inquiry, application, or matriculation.

The positioning statements that did have the greatest impact and the greatest promise for increasing market differentiation and new students were three:

First, **Hands-on Liberal Arts** – It goes like this – “The environment at this school encourages self-exploration and independent thinking as all students participate in an unusual array of hands-on applications of classroom learning. Whether conducting original research projects with professors, performing field work off campus, studying abroad, working in a lab, doing an internship, or producing creative and artistic work, students have access to a wealth of resources not typically found at the undergraduate level. This school has one of the nation’s highest percentages of undergraduates who present their work at conferences, show their work in shows, and publish their work in national and regional journals.”

The second positioning platform that has the best promise is this - **Demanding but Supportive** – “This school offers an academically rigorous, intensely intellectual environment in which students are challenged to pursue excellence. At the same time, supportive peers and faculty allow students to pursue these goals in a collaborative atmosphere, in which students and faculty encourage each other rather than competing against each other. The achievement of excellence is evident in the students’ exceptionally high acceptance rate to graduate and professional schools and to jobs in their chosen fields.”

Third, Art and Science tested **the appeal of the notion of honors programs** in our inquiry pool, our application pool, and our matriculates. What was shocking was the percentage in each group that believed Hendrix had an honors program. At any rate, what they looked at was the relative appeal of an honors college in a larger university, an honors program in a liberal arts college, and a national liberal arts college with no honors program.

They found, by far, that there was a tremendous appeal for an honors program in a liberal arts college.

Art and Science Recommendations

They showed that if we did not take dramatic steps to differentiate ourselves and reposition ourselves, we faced threats from lower-priced competitors who are unlike us.

Based on their findings, they recommend that we position ourselves as an institution that is by its very definition an honors college, providing a highly rigorous program in a personal, supportive environment. All students admitted to Hendrix would be qualified to participate in an honors program. All students admitted would be given some type of merit award, whether based on academic achievement or demonstrated excellence in some area.

Further, they recommend that we distinguish the honors program itself by emphasizing hands-on learning experiences for all students, including a particular focus on original undergraduate research, internships, and study abroad, etc. The supporting legs for the overall platform they suggest should be excellence in the sciences and the cultural and expressive arts, followed by interdisciplinary studies, entrepreneurial studies, and global studies.

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They also suggest that we systemize our current emphasis on undergraduate research, internships, senior capstone experiences, study abroad, and an array of other discipline specific hands-on experiential opportunities into a required series of hands-on honors activities for all students. In other words, require all students admitted to Hendrix to complete a hands-on experience as part of the curriculum. They mean by this that we make these elements an integral part of all students' experience rather than serendipitous opportunities. Finally, they suggest developing some way for all students and faculty to become eligible for funding for these required hands-on experiences.

The Hendrix Response

The Hendrix Response

I don't know how you are reacting to this, but I do know that we have a lot of talking to do about these ideas and the details. Some of this is purely how we package and market ourselves. Other elements of this, however, clearly involve curriculum and faculty matters. I think it is very interesting and I have only given you the tip of the iceberg, if you will. You will have a chance to meet with A&S and analyze how they conducted the empirical studies to reach your own conclusions. However, I do know that what we have here is something that may be critical for us as we seek to gain a stronger competitive position out of state and as we protect our flanks at home.

Dream Vision

Dream Vision

Let me ask you to suspend your doubts and critiques for a moment and imagine with me a possible response. This is dream visioning, so I have the Tooth Fairy's magic wand in my hand and I wave it over all of you.

So here goes....

HENDRIX *News Release*

Hendrix College, 1600 Washington Ave., Conway, AR 72032-3080

For Immediate Release

CONWAY, AR - Dateline: Sometime in the Future Hendrix College announced today that it is now in the elite class of the top liberal arts colleges in the country. One of the things giving Hendrix that distinction is its unique approach to honors education. With a gift of (you fill in the blank), Hendrix announced the creation of the **Galileo Honors Program**. All students admitted to Hendrix participate in the **Galileo Program** and receive a **Galileo Scholarship or Honors Award**. Students take a common course (Journeys) and a course in Challenges of the Contemporary World. All students complete a senior comprehensive examination, complete a capstone experience, or participate in a senior seminar. In addition, all students are required to complete a hands-on experience.

The focus of the **Galileo Honors Program** is on discovery-based learning. Knowledge is a process of exploration and is a journey that all Hendrix students undertake.

With the **Galileo Program Endowment**, all students are eligible to receive project funding for their required hands-on experience. Faculty members are eligible to receive **Galileo Grants** as well. These grants fund in whole or in part special projects and enrichment opportunities. These will include, but are not limited to, study abroad, faculty-led student study tours, original research, field work, internships and service experiences, and producing creative and artistic work. The fund will underwrite student travel to present and show their work. In addition, the **Galileo Program** will fund the organization of student/faculty conferences on campus and publication of student and faculty work. An example of **Galileo** in action is a program that teams a faculty member with a student to work on a collaborative project over the

summer. This may take the form of a laboratory research project, writing a play, research and writing a paper, or developing a work of art.

If a student completes **Galileo**, he/she receives an honors certificate along with the diploma at graduation.

The Galileo Program will also fund several endowed chairs and department-enhancement awards.

Hendrix also announced today a major campaign for scholarships, an endowment for the Lilly Program, the building of a new student life center, and a new athletic and wellness center.

Finally, in the most radical twist, Hendrix College announced it will follow the lead of other elite East Coast schools and no longer require the ACT or the SAT for admission. When asked about the justification for this, Professor Bland Crowder responded by saying, "In our admission process, we look at the whole person and we are able to give that kind of attention to our students from the moment they apply to the day they graduate."

Of course, he said, "If you want to be eligible for a scholarship, that's another matter altogether. Then we need the test scores."

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I ask you to be open
and imagine the
possibilities!

This is just a dream press release, but I ask you to be open and imagine the possibilities!