

Discovering Our Futures

The Power of Partnerships

John C. Hitt
President

University of Central Florida

2009 President-to-Presidents Lecture

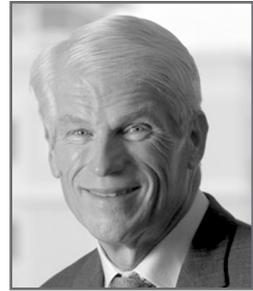


aascu

American Association of State
Colleges and Universities

The President-to-Presidents Lecture was delivered on November 23, 2009 by John C. Hitt, president of the University of Central Florida at the AASCU Annual Meeting held in San Antonio, Texas.

It is a great honor for me to be asked to give this annual address to a group of friends and colleagues for whom I have great respect. At the same time, speaking to you is a humbling task: look around at the experience and wisdom assembled in this room, and ask yourself what you would say if given this extraordinary opportunity. I concluded that it is best for me to share some rather personal reflections on what has kept me one step ahead of the posse for all these years.



When the Florida Board of Regents selected me to be president of the University of Central Florida (UCF) in December 1991, I had served as interim president of the University of Maine. That position had given me a chance to try out a technique of leadership that seemed promising: the publication of a short list of general goals for the university. It worked at Maine, so within a month of assuming the presidency, I published “Five Goals for UCF.” They were (and are):

- ▶ Offer the best undergraduate education in Florida;
- ▶ Achieve international prominence in key programs of graduate study and research;
- ▶ Provide international focus to our curricula and research programs;
- ▶ Become more inclusive and diverse; and
- ▶ Be America’s leading partnership university

The goals are general and might be best characterized as statements of interest and aspiration, or directions of travel. Collectively, they align energies and give a sense of identity, of shared purpose. I spent a lot of time talking about the goals. When I commented on the time I was spending to an experienced president, he observed that when I got thoroughly

Discovering Our Futures: The Power of Partnerships

tired of hearing myself talk about the goals, I was just getting started. His observation proved accurate.

But, the repetition paid off. Soon, proposals for new programs or additional funding began to include justifications on how the project would advance one or more of the goals. And meetings with college faculties often featured discussions of the goals and how their colleges' programs were essential to achieving them. In short, the goals worked. We got the alignment of energies needed to invigorate a campus.

Likewise, when I spoke to community or civic groups, I found that the goals provided an excellent vehicle to communicate a sense of forward movement and engagement at the “hometown university.” And the goals gave the public and the media a way to frame their thinking about UCF.

I am sure many of you can recount similar successes in leading institutions by the conspicuous establishment of goals. Indeed, there is nothing remarkable about the first four of our goals: an emphasis on high-quality undergraduate education, striving for renown in select fields of graduate education and research, establishing an international focus, and endeavoring to be more inclusive and diverse. Even in 1992, it would have been noteworthy if a state university had not included these among its goals, for they represent what many would see as an opportunity to determine or define a university's future.

Those who noticed the title I gave these remarks will not be surprised that I think the first four goals are a necessary—but not a sufficient—condition for full success in our current circumstance. The title I chose reflects my own sense of what we each ought to seek. It is, of course, “Discovering Our Futures: The Power of Partnerships.” And it is about our fifth goal—to “be America's leading partnership university”—that I want to speak, after I give you just a little background for comparison.

Discovering Our Futures: The Power of Partnerships

As I reflect over the nearly 18 years I have served as president at UCF, the magnitude of change we have experienced amazes me. When I arrived on campus, enrollment was 21,200, we awarded fewer than 30 doctoral degrees per year, and extramural funding totaled about \$6 million. This fall, enrollment topped 53,500, we now confer more than 200 doctoral degrees per year, and extramural grants and contracts are more than \$121 million. The average SAT score for the fall freshman class is 1225; the mean high school GPA, 3.8; and we have 55 National Merit scholars. We are now Florida's largest university and, likely, the third largest in the nation.

Whereas we attracted the great majority of our students from the greater Orlando area in 1992, we now have a strong statewide, national and international draw. About 30,000 students apply for fall admission, and the College Board tells us that more Florida students have SAT scores sent to UCF than to any other institution in our state. Our new medical school received more than 4,300 applications for 40 seats in its founding class this fall.

Eighteen years ago we were an afterthought in the business community; now, it is common wisdom that no major economic development happens in city-state Orlando without UCF's involvement.

These advances didn't happen through our pursuit of the first four goals; as I said, they were a necessary, but not a sufficient component for institutional growth and improvement.

What made the difference was the crucial fifth goal, "to be America's leading partnership university." Now I know that we all hear a lot about partnerships today, doubtless some of it from members of this group. It's a powerful ingredient for success. We've been at it at UCF since 1992, and some of our team members like to boast that we did partnerships before partnerships were cool.

Discovering Our Futures: The Power of Partnerships

My faith in partnerships is grounded as much in pragmatism as in idealism. It has long seemed to me that no single individual or organization acting alone has the resources to solve the significant problems we face. Thus, if we want our institutions to offer meaningful societal benefits that compel support, we need to find partners for our efforts. Real partnerships involve mutual benefit at their cores. Relationships in which one party does all the giving, the other all the taking, are unstable by their nature and end badly. Partnerships are easy to describe and discuss. They're harder to do.

If you're a fan of real strategic planning, think of forming partnerships as a way of establishing comparative advantage in a niche. Keeping our strategy hats on, it should follow that we choose our partnerships carefully, pursuing those that offer strategic advantage. A friend who is good at doing them always reminds his staff that he doesn't do partnerships because they're easier, he does them because they're better.

If you have followed my path to partnerships as the key to distinctive success, you may well have anticipated my mental model of the partnership university. It looks a lot like a 21st century version of the land-grant university established by the Morrill Act in 1862. Think about the people's universities that act created. In a partnership with the states, the Morrill Act gave federal land to each state, "to promote the practical education of the industrial classes on the several pursuits and professions in life." Sometime later, legislation authorized the establishment of agricultural experimentation stations and the cooperative extension system. This was extremely important. Land-grant universities, for the first time, combined in one institution the discovery, transmission and application of knowledge. That combination proved to be a powerful formula for improving the lives of people.

Now you can view that any way you want, but I think it is a pretty good argument for using higher education as an instrument of national policy.

After World War II, higher education again became an instrument of national policy with the passage of the G.I. Bill. The sustained economic growth that followed produced greatly expanded metropolitan areas, and the situation was ripe for the next great development in American higher education: the emergence of public metropolitan research universities, like many of our institutions.

All public metropolitan research universities have common elements. All have grown in or grown with a metropolitan area, and all have research missions. And all—many of us will agree—have an obligation to their city-states.

In addition to meeting the classic roles of providing general and liberal education and offering access to rich cultural resources, this obligation finds expression through civic engagement partnerships, which several previous President-to-Presidents addresses have discussed. But, universities also meet this obligation by advancing the economic life of their regions.

One strategy for a university to advance the economic life of its city-state is through the pursuit of national and international excellence in selected academic programs and research areas that are important to the regional economy. In Central Florida, these areas are primarily simulation and training, optics, hospitality management, business, education, and health care.

The Institute for Simulation and Training at UCF has achieved recognition and success through its work in collaboration with the military simulation and training commands that have located in the 1,000-acre research park adjacent to our

Discovering Our Futures: The Power of Partnerships

campus. Today, the Institute is at the heart of a \$2.5 billion local industry with 16,847 employees at more than 100 Central Florida companies. To widen and deepen our partnership with these commands, UCF has secured state funding for three substantial research buildings (artfully named Partnership I, II and III), which we share with our colleagues in the armed services.

Our highly successful and prestigious programs in optics and photonics, which grew from the Center for Research and Education in Optics and Lasers, owe much of their initial support to local businesses whose products rely on laser technology. The combination of world-class research and a continuing stream of talented graduates assures the vitality of this important high-tech industry in the Central Florida city-state.

In an analogous fashion, the needs of the tourism and hospitality industry of Central Florida have been served by the emergence of the Rosen College of Hospitality Management. Made possible by a gift of more than \$18 million from Orlando hotelier Harris Rosen, along with other generous support from the hospitality industry, a resort-like campus is now located near the convention center in the heart of the tourist industry. It is the premier facility of its kind in the world. The 2,680 students of the college represent a strong cadre of future leaders for an industry that has long been the backbone of the Central Florida economy.

In addition to establishing centers of excellence that complement local industry and business interests, we have also developed a number of other means to support the economic development of our region, of which two are noteworthy.

One is our international award-winning Florida High Tech Corridor Council. Its goal is to attract, retain and grow high-

tech industry. Using local, regional and state funds, the Council supports research grant proposals that are developed by business and university partners. Today, the Council includes three state universities (UCF, University of South Florida and the University of Florida) and 23 county governments, and its success has been dramatic. Over its 12-year history, it has worked with 600 companies and 300 faculty members to fund more than 1,000 grants. These grants have generated more than \$200 million of research activity, which has had a regional impact of approximately \$500 million.

Another economic development driver is the UCF Incubator System. The incubator is a partnership between the university and our city-state that provides early stage companies with the tools, training and infrastructure to create financially stable, high growth enterprises. Today, the incubator serves 55 clients at six sites and has graduated 23 businesses. Clients have created more than 900 local jobs with an average salary of approximately \$60,000. Even in these difficult times, counties continue to appropriate funds to support the incubator system.

Many business incubators exist across the country, but we believe the success of ours is unusual. One key to its success, I think, is part of a broader university strategy we have pursued. Our experience has shown us that working as equals with partners from outside the university is an important first step toward building credibility for the university. We understand that economic development organizations have goals similar to ours, and that it is in our interest to help them achieve their goals. For this reason, two-thirds of the clients of our UCF Incubator come from outside the university. Of course, the incubator also provides a means by which UCF faculty members may develop their ideas into productive businesses.

Three additional strategies have helped us foster economic growth in our area: we embrace industry and business, create

institutes and centers, and support and incentivize faculty members.

A former associate dean in an office of research at a sister institution once complained that his institution (and, by implication, ours) was “crawling in bed with industry.” The response was, “guilty as charged!” In building the wealth-producing economy of our region, we also build credibility for our institution, along with the tax base that supports it.

Governors and legislators are struggling to find ways to build the new American economy, starting, of course, in their states. Partnership universities are a very significant asset in that endeavor. Parenthetically, it’s a lot more enjoyable to share data on the creation of well-paying jobs than to explain faculty teaching loads.

Another strategy that has worked well for us is to create research centers or institutes to complement and support local industries, rather than to work through traditional colleges and departments. Sometimes it seems that God has given us problems to solve and universities have given us academic disciplines to keep us from solving them.

The institute model has several significant advantages over the academic discipline model. First, an institute or center is designed to address a specific issue or problem. Second, institutes and centers are not constrained by disciplinary boundaries when hiring faculty members. Rather, they can hire faculty members from different disciplines appropriate for the institute’s mission, and they are also able to hire faculty members in clusters. Finally, institutes and centers can more readily and overtly search for faculty members who express a preference for collaborating with business and industry.

A final strategy for success is to support and incentivize faculty members. A story that our vice president for research likes to tell says it all. A colleague once asked him why he always sided with faculty members. He told his associate that without faculty members there is no intellectual property, and without intellectual property there are no solutions. He concluded by saying that the office of research is a “service organization founded to support the faculty.”

I'll close with my institution's best example of a partnership with its city-state that has advanced the economic interests of both. After years of trying to develop a viable research program in bio-tech, we were forced to admit that success on any reasonable scale was possible only through the creation of a research-based medical school. According to conventional wisdom, this was an impossible task in Florida. And my friend and colleague, Mitch Maidique, then president of FIU in Miami, also wanted a medical school.

After some exploratory efforts, Mitch and I knew we had an excellent case: there was a growing shortage of physicians in our state, and medical schools are good economic engines. But we also knew we had a tough fight ahead of us.

We decided that we had one chance at success: to join our two universities at the hip and combine the political resources of city-states Orlando and Miami. Together, we had a chance to turn the impossible into the inevitable. If we made our efforts individually, the prevailing argument would be that Florida could not afford a new medical school. But Mitch and I were convinced that a joint effort would reveal a remarkable paradox: while Florida could not afford one new medical school, it could afford two.

So we set to work, Mitch in Miami, and I in Orlando. As our UCF team turned its attention to Central Florida, we initially

encountered skepticism. Many community leaders just couldn't believe that we could succeed. And their skepticism was well placed. Though we began with the unanimous and enthusiastic support of our board of trustees, we needed a majority vote of the 17-member board of governors; majority votes in the Florida House and Senate; and the support of then-governor, Jeb Bush.

We took nothing for granted. We organized our efforts as one would any political process. We made the face-to-face presentations, the calls to influential people, the visits to editorial boards, and the appeals to civic and professional groups for their grass-roots support. It took a while, but as people began to think about our case, we made headway. The fact that Orlando—the 30th largest metropolitan area in the U.S.—was the only one of the largest 35 without at least one medical school stirred spirits. Early economic impact forecasts interested business leaders. The potential improvement in the quality and accessibility of medical care widened appeal.

As we gained traction with our case, we began to secure pledges of financial support. The influential Winter Park Health Foundation came forward with a pledge of \$1 million, as did two large hospitals, Orlando Health and Florida Hospital. Then the Tavistock Group offered \$12.5 million and 50 acres of prime land in Lake Nona, a 7,000-acre, green-field development near the Orlando International Airport. This gift provided crucial leverage: the community contributed strong support, political pressure, as well as more money. For a while, we raised about a half a million dollars a day from private donors. It was one of the few times in my career that people called me asking to give money.

With state matching funds, we could soon claim well more than \$110 million in financial support. It made a real difference that our list of million-dollar donors was more than a page long. Still, we faced strong opposition.

We had assurances of favorable votes in the House and Senate, but we weren't confident that we had the nine votes we needed on the board of governors. It became obvious that one vote would determine the fate of our efforts. We needed a nod from Governor Jeb Bush.

Fortunately, we had excellent relations with the governor, who is very bright, intellectually curious and well informed. We were confident we would get a fair hearing from him. By that point, I had given our set presentation of the case for a medical school dozens and dozens of times. It was grounded in Florida's need for more physicians, with a brief nod to an estimate of its positive economic impact.

I was accompanied to the meeting with Governor Bush by several university trustees, including the president of Disney's gated attractions worldwide, a former aide to the governor, and the senior managing director of the Tavistock Group. The stage was well set. I confidently began presenting the case only to be quickly interrupted by the governor: "John, I don't want to hear about a doctor shortage. Maybe there is one, maybe there's not. I don't want to hear about it." Part of me wanted to say, "Damn it governor, I've got a really good presentation here, and you ought to hear it." But I overcame that momentary insanity, and asked the governor what he would like to know about our proposal. The answer came back immediately: "Its economic impact."

So we went quickly to the brief economic analysis in our presentation. It very, very conservatively estimated the annual economic impact at \$750 million. That wasn't nearly comprehensive enough for Governor Bush, so I could only ask if he would grant us another opportunity to present an economic impact estimate that would be deeper, more comprehensive, and richer in detail. Fortunately, he agreed.

At our next meeting, we focused entirely on economic impact. The study we presented was done jointly by the Milken Institute and Arduin, Laffer, and Moore. Donna Arduin had been the governor's finance and budget guru in his first term before she went to California to assist Governor Schwarzenegger with his budget woes. She is sharp, a good presenter, and had a great story to tell. In its bare essentials, she projected that a "life-sciences cluster" would form around the medical school. By its 10th year of operation, the school and cluster would create 26,000 well-paying jobs and have an annual economic impact of \$6.4 billion. Quickly, the light turned green: we had the governor's support.

When the board of governors voted, the count was 15-1 in favor of new medical schools at UCF and FIU. Legislative approval followed, and Governor Bush signed the bill establishing the medical schools at a ceremony on the UCF campus.

Results have been remarkable. By its gifts of land and money, the Tavistock Group has seeded the formation of a life-sciences cluster that is growing up around the medical school. Two billion dollars worth of construction is now committed at the medical city (about \$1.5 billion of which is completed or nearly so), which includes: the UCF Medical College; the UCF Burnett Biomedical Sciences building; the Burnham Institute for Medical Research; the Orlando VA Medical Center; the Nemours Pediatric Health Care Campus; a University of Florida research facility; and the research laboratories of the Orlando affiliate of the M.D. Anderson Cancer Center.

According to a report I commissioned to update our earlier impact study of the medical city at Lake Nona, by 2017 the College of Medicine and its associated life sciences cluster will generate:

Discovering Our Futures: The Power of Partnerships

- ▶ 30,000 jobs;
- ▶ \$2.8 billion in annual wages;
- ▶ \$460 million in annual tax revenue;
- ▶ a return on investment of \$13.50 for every tax dollar spent; and
- ▶ \$7.6 billion annual impact on the regional economy

These data indicate that the medical city at Lake Nona is the most important single development for the economy of Central Florida since Walt Disney flew over the state in 1963 hunting for land. The development of the medical school and the medical city at Lake Nona has captured the imagination of Central Florida like nothing I have seen before, and it has secured remarkable support for UCF from our local legislative delegation. Also, the power of our partnership with FIU has been duly noted and appreciated and, I am confident, will serve both institutions well in the future.

Well, I have covered quite a lot of territory, and I appreciate your indulgence. I have tried to use UCF's journey to illustrate something I have come to believe rather firmly. As presidents, we can define our universities' success in meeting a conventionally defined academic profile. In UCF's case, successful pursuit of our first four goals would place us on a path toward excellence as conventionally defined. However, we would have almost certainly missed great opportunities for distinction and service had we not aggressively pursued partnerships. I fervently believe that in partnerships we discover our highest and best futures, and our best chance to move beyond conventional success to true significance. If you and your institution have not already embarked on your partnership journey, I encourage you to begin it today.

Delivering America's Promise

AASCU's membership of 430 public colleges and universities is found throughout the United States, Guam, Puerto Rico and the Virgin Islands. We range in size from 1,000 students to 44,000. We are found in the inner city, in suburbs, towns and cities, and in remote rural America. We include campuses with extensive offerings in law, medicine and doctoral education—as well as campuses offering associate degrees to complement baccalaureate studies. We are both residential and commuter, and offer on-line degrees as well. Yet common to virtually every member institution are three qualities that define its work and characterize our common commitments.

- We are institutions of access and opportunity. We believe that the American promise should be real for all Americans, and that belief shapes our commitment to access, affordability and educational opportunity, and in the process strengthens American democracy for all citizens.
- We are student-centered institutions. We place the student at the heart of our enterprise, enhancing the learning environment and student achievement not only through teaching and advising, but also through our research and public service activities.
- We are “stewards of place.” We engage faculty, staff and students with the communities and regions we serve—helping to advance public education, economic development and the quality of life for all with whom we live and who support our work. We affirm that America's promise extends not only to those who come to the campus but to all our neighbors.

We believe that through this stewardship and through our commitments to access and opportunity and to our students, public colleges and universities effectively and accountably deliver America's promise. In so doing we honor and fulfill the public trust.



1307 New York Avenue, NW • Fifth Floor • Washington, DC 20005-4701
202.293.7070 • fax 202.296.5819 • aascu.org

January 2010