

How Not to be a Casualty of the Revolution

by Stephen B. Friedheim and Dr. Rosemary T. Fruehling

Currently, all of higher education is undergoing profound review as more and more attention is being focused on the inefficiencies of too many components of the educational delivery system.

Postsecondary institutions are being asked to demonstrate accountability by using some satisfactory measurement being articulated in a variety of state and federal laws or regulations. This effort is aimed at getting more for the public dollar.

The public is concerned that it's taking too many students too long to finish a four-year program of study. There are similar concerns about students not being equipped to gain employment following graduation from traditional four-year programs.

Career colleges and schools won't escape the call for demonstrated accountability but they may be better equipped than most in seeking and finding the answers to the changing environment and increased public demands.

A recent article posted on the Internet¹ by Tom Patty, President of World Wide Nissan, analyzed the impact of the elements in our changing world and predicted that these changes, which he likens to a revolution, would require the development of new behavior, if Nissan were to survive and prosper. His

¹The article, "The New Five P's of Marketing" can be found at: http://www.chiatday.com/raw_materials/insights/5ps/5p_mkt.html

observations contain the germ of an idea that can be of value to the private career school sector of higher education. With appreciation for his insight, we have adapted his concept for private career school consideration.

Colleges exist as a microcosm of the greater society in which we live. Higher education must learn to deal with the

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world in which they live. They cannot assume that they live in isolation. The call is to embrace the revolution and champion it. "It was the best of times. It was the worst of times." So says Charles Dickens in the opening of his *Tale of Two Cities*. And so it is today. Just ponder the increased speed with which people communicate, across borders, around the world. Consider the impact of the Internet as it permeates our everyday lives. Or contemplate the new currency taking hold in Europe that will change the face of doing business throughout that region. Realize that America suffers with Asian nations when their economic systems stumble. Recognize we are

active participants when the world huddles to create a solution. Truly, we are now one world, sometimes divisible, with inter-relationships required.

The 21st Century promises exciting opportunity as a result of the current revolutions in technology, management, and economy. That's the good news. That's also the bad news because change is unsettling and difficult to master.

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between good times and bad times; challenged to respond effectively and rapidly. The speed with which "things" are happening will require that the successful organizations of the future clearly enunciate and activate a plan for taking advantage of continuous change.

At the same time Wall Street has found a new "darling," it seems, as it showers approval on collections of private career schools that have gone public. DeVry, Strayer University, ITT Educational Services, the University of Phoenix, and the Art Institutes are prime examples of how to benefit from support of the Street. More groups are forming; more consolidation is expected with the anticipation of significant savings from an economy of scale.

On top of all of this, America is in the midst of a prolonged period of growth and development. The Bull Market is reflective of the confidence that is currently exuded throughout the land. Unemployment is low; job security is good, even though companies are downsizing or "right-sizing." People who have been laid off are finding it relatively easy to locate and secure new employment. The United

States economy is expected to produce 18.6 million new jobs between 1996 and 2006. Jobs will be available for individuals from every educational and training background. It is important to note that almost two-thirds of the growth will be in occupations requiring less education than a traditional bachelor's degree, according to the Winter 1997-98 issue of the Occupational Outlook Quarterly.

Despite the fact that unemployment is at its lowest level in more than twenty years throughout the nation, employers are still desperate to hire anyone who demonstrates ability to successfully undertake multiple tasks. Although the vast majority of the current and projected job opportunities will not require a bachelor's degree, most high schools continue to design their curriculum favoring the college-bound students—meaning students bound for a traditional four-year postsecondary experience.

Terry Luderman of the Wisconsin Department of Workforce Development has predicted that 1.34 million (4-year, traditional) college graduates will enter the labor market each year between 1994 and 2004. The labor market will demand 1.04 million (4-year, traditional) college graduates each of these years. As a result, he says, we will have 300,000 surplus (4-year, traditional) college graduates each year. Chances are great that these graduates will be forced to take jobs requiring lesser skills than they possess, which may result in a generation of unhappy or unproductive employees.

How can private career colleges and schools ensure that they are perceived as being relevant and effective? How can these institutions build on the past and harness the future?

As Tom Patty of Nissan surveys the world, he discovers that there are many examples of companies that have

succeeded in the new revolution and those that are floundering. For example, he notes that IBM, the old Big Blue, has lost market share and is spiraling downward, while Microsoft, under Bill Gate's inspired leadership, has enjoyed double digit growth. GM has lost its market position, while Chrysler under Lee Iacocca's direction has experienced a 15 percent growth. Sears has been struggling to identify and reinvent itself, while Wal-Mart, using Sam Walton's vision, has seen double digit growth.

What makes the difference? Patty says, "Marketing!" He identifies the need for a new marketing strategy for successful companies that he calls the "New 5 P's," which he thinks have to replace the old 5 P's of marketing. The old ones were Product, Price, Packaging, Place, and Promotion. These are old and outdated, according to him. Now we need the new 5 P's, that stand for Paradox, Perspective, Paradigm, Persuasion, and Passion. He says that a new age strategy is needed because times have changed, people's desires have changed, and businesses have reorganized to improve productivity and profitability, shaking off the old ways and the old reasons for operating.

Career colleges and schools are best positioned to respond to this challenge and make the best use of the New 5 P's. Of all of the sectors of higher education, the career college sector is the one that

can change the quickest without having to undergo long, drawn out challenges so often present when public institutions contemplate change, and seek the necessary approvals and funding.

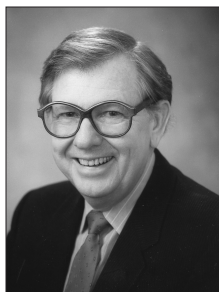
Here are our observations on how Tom Patty's theories can be adapted by the career college sector for effectiveness and profit:

Paradox – The Oxford English Dictionary defines paradox as "A statement or proposition which, on the face of it seems self-

contradictory, absurd, or at variance with common sense. Though, upon investigation or when explained, it may prove to be well founded or essentially true."

How can private career colleges be successful in charging a significant price for their services while other institutions are "giving it away"? Community colleges that exist in all major cities and towns charge little or no tuition, depending on state and local taxes for funding. Do they compete? Of course, they do; but do they do it effectively? And what is there in this paradox that favors the career school? Historically, private career institutions have always competed with the public sector in

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preparing people for the workforce. Today, while community colleges are increasingly seen as a valuable resource in the workforce development system, they often lack the spontaneity so vital in responding appropriately to the changing market needs. The most interesting thing about paradox is that paradox always contains within it an opportunity, says Tom Patty.

"In order to master paradox, you first have

to find or identify this opportunity and then exploit the paradox."

The career college paradox is: All postsecondary education is the same; all postsecondary education is different.

According to the

marketing gurus, Ries & Trout², "The basic issue in marketing is creating a category you can be first in." Find a word or a theme that sets you apart from the others and you have a major advantage in the marketplace, they say. Patty notes that marketers have successfully used paradox to help them create a category they could be first in, such as: (1) Miller Brewery used the paradox of Lite Beer to help them create an identity by focusing on the dual benefits of the Lite Beer paradox—"Tastes Great, Less Filling." (2) Everyone knows what a sports car is, but Nissan used paradox to create a new category of sports cars, giving it a first—the Four-Door Sports Car. (3) Similarly, Nissan used

²This well-known marketing firm played a major role in creating a name for the new organization that came about as a result of the consolidation of the National Association of Trade and Technical Schools and the Association of Independent Colleges and Schools. They said that organization needed to own a word and the word they suggested was "career," as the singularly most universal word to describe the sector. Further, they said that the most popular postsecondary institution descriptor was "college," even though some institutions were known as schools or institutes or universities. And so the Career College Association came into being.

paradox again by introducing the Altima as the first "Affordable Luxury Car."

A paradox. A new category. A first. Career schools can take advantage of their paradox by sticking closely to their mission; by not trying to be everything to everybody; and by recognizing the employer as the ultimate customer. Community colleges too often have sent a mixed message by claiming that students were their primary customer, but confusing the message by not scheduling classes effectively enough to allow students to graduate as soon as possible; or by not offering classes at times most convenient to students. The career schools must identify the paradox as it exists in each community and exploit it. Establishing a theme that separates one school from all the others could be related to the singleness of purpose of the institution; or it could be related to the opportunity to earn a degree in a period of time shorter than possible in a community college; or it could be the student services activity that connects the graduate to the job market. Each of these represents a paradoxical marketing opportunity.

Perspective – Tom Patty says that every organization needs to ask, "What business am I in?" In the automobile industry some thought that they were in the car business; others thought they were in the business of satisfying personal transportation needs. If they believed the former, their focus was on the hardware; but if they chose the latter, their emphasis would need to be on the software issues.

Similarly, as it relates to advertising, he wonders if Nissan is in the advertising business or the persuasion business. He thinks every organization needs to ask, "What fundamental consumer need does my product or service satisfy? And then ask, "How does my product satisfy these needs differently and better than my

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competitors?” Career colleges and schools should find the answers to these questions easier to determine than others in higher education because the career college is usually single-minded about its mission and single-purposed about its objectives. Reviewing and re-energizing the organization toward this mission and these objectives must become a daily requirement, rather than a once-a-year exercise when the budget is conceived. Organizations that are continuously reminded of their mission are less likely to stray from their chosen path. Seeing the employer as the primary customer (W. Edwards Deming refers to the “external” customer) is one part of the career college perspective. The next part is seeing the student as one of their secondary customers (one of Deming’s “internal” customers) needing to be developed for acceptance by the institution’s primary customer—the employer.

Having the employer seen as the primary customer at the center of the institution’s perspective dictates how the institution allocates its resources, represents itself to the public, and connects with its students. In simple terms, the employer dictates “what” should be taught, while the student commands “how” whatever is taught is actually taught. This clear, concise, unified message conveyed by all members of the staff and faculty will result in everyone sharing the same perspective, internally and externally. An institution’s perspective

about itself and whom it serves, gets translated into its plans and programs. Customer service and customer satisfaction becomes a much more visible function within the institution. Directing everyone toward satisfying the customer (employers) has the effect of harnessing all of the institution’s resources in the same direction, and customer satisfaction becomes a more likely outcome. The career college

product—a successful graduate—has the potential to satisfy the customer (employers) better than other college “products” for a number of reasons:

- (1) The success of the career college is measured by the placement statistics. The closer the college/school is to the employer, the more involvement the employer has in the education/training process, and the more likely the career college will succeed in helping to develop a satisfying product.
- (2) Similarly, the better the tools of the education/training trade are—software, hardware, facilities, faculty, etc.—the better the product will be. Career colleges can generally make faster decisions about improving and updating than other sectors of higher education can.
- (3) Career colleges are truly market driven. To stray from the market—what the market says it needs—is done at the peril of the institution.

Paradigm – Paradigm is a pattern, a

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model, or a way of doing things. But Patty says, "It means more than that. It means that whatever made you successful in the old paradigm may not even be necessary in the new paradigm." As an example, he notes that even the blacksmiths with the best skills weren't saved when the paradigm shifted from

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the horse-drawn carriage to the automobile. To master this P, institutions must be able to identify the paradigm shifts that are going on around them and position themselves accordingly. He describes a paradigm shift as something that goes back to

zero and starts over. Just as the blacksmith had to become an auto mechanic to survive.

Certainly the recent consolidation movement that the career college sector has experienced is one part of the career college paradigm shift. It is projected that at least four more groups expect to "go public" sometime in 1999. Once they do, they will need to demonstrate positive growth each year, which will contribute to a further consolidation of the field.

At the same time there is a paradigm shift in the public's perception of the career school sector, as evidenced by the successful Wall Street experience. The fact that career schools can effectively demonstrate accountability through their enrollment-to-placement reports contributes to their positive perception. With the significant lowering of the student loan default rates for this sector, the government is expressing greater confidence in career schools. The fact that the Higher Education Act was recently reauthorized by the Congress without

new, inhibiting legislative initiatives, demonstrates that the sector has come a long way from the experiences of the last reauthorization.

On an individual institutional basis, perhaps the Paradigm for career colleges is "All graduates are alike; all graduates are different." Herein lies one of the significant differences in the career school educational presentation from others in higher education. While all students must graduate with a full command of the skills needed to be productive on the job, they must be treated and respected as individuals because he/she brings a particular personality to the classroom that is different from the others in the room. Keeping the closeness to the job market in the design of the curriculum and keeping the courses individualized in presentation are at the heart of the career school paradigm.

Recognizing the paradigm shifts in the perception and image of career schools is essential to successfully riding the public acceptance crest.

Persuasion – In order to master the element of persuasion, Tom Patty says that there are three areas that must be addressed: (1) Credibility of the speaker, (2) The content of the message, and (3) The involvement of the audience.

The first and most important element in an attempt of persuasion is the credibility of the speaker. Patty notes that Bert Decker, a famous speech coach, has an interesting book entitled, *You Have To Be Believed To Be Heard*. Decker's basic thesis is that before you can begin to be persuasive, you have to be credible – you have to be trusted. Someone else has said it this way, "They won't care how much you know, until they know how much you care." This is a major challenge in advertising where research shows that only 8 percent of the public say they believe advertising;

down from 10 percent only four years ago. Credibility and trust are emotional, not rational things, Patty says. "You can't make someone trust you. You have to earn it over time." This explains why referrals are always the best leads a school ever gets. The prospect is coming to an interview already primed with information about the institution from a friend—someone that he/she trusts. Patty speaks of the experience that Audi had when 60 Minutes ran a segment on the car's unintended acceleration: Audi's credibility vanished overnight. Negative news about an individual school or chain operation can have a similar reaction at one location or all of them. Psychological research shows that for every negative impression it takes eleven positive ones to overcome the detrimental effect.

The second element is the content of the message. Here career colleges need to remember that prospective students don't buy education or training. They buy answers to needs, solutions, job opportunity, and entry to a solid career.

The third and final element in any attempt to persuade is that an institution must understand the motivations of its students or prospective students so that an emotional connection can be created with them. Students yearning for an opportunity for a good job and a great career are motivated by what they can expect to earn when they graduate, by the make-up of the curriculum which eliminates extraneous studies, and the relatively short time it takes to graduate. A review of an institution's marketing message will reveal the degree to which its advertising is in tune with the current market. This market has been fed by TV to believe in instantaneous gratification, the sooner the better. Messages have to be simple rather than complex. The prospective student audience doesn't have time to contemplate an array of

messages; one is enough; two is too many. Because today's prospect is a visual creature, attracted to color and colorful language, institutions need to review their institution's marketing message to ensure that this receptive aspect is being fully exploited.

Using these as elements of a marketing presentation, career schools are challenged to demonstrate that their products (the graduates) are the best that they can be, because the institution: (1) Employs the best faculty, (2) Enrolls only those students who demonstrate that they can benefit from the training, (3) Keeps employers involved in the entire training process, (4) Gives continuous attention to the quality appearance of the institution, and (5) Buys and maintains the best equipment

All of this could come under the heading of doing more than is expected. By doing more than is required or expected, the institution invites prosperity's embrace.

The career colleges' primary customer (the employer) wants and needs a product that can be productive the very first day he/she enters an organization or

business. In order to be an effective persuader, the career college administrator must remember that the majority of the new jobs are not being created by the

Fortune 500 companies, but rather by small businesses where there are less than 100 employees and no training departments. Career college graduates typically go to work for these firms—which is where 80 percent of the jobs are. And although these jobs don't generally require a traditional 4-year college degree, they require some specialized training beyond high school.

Passion – The fifth and final P in

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Tom Patty's series is Passion. While Passion is normally a strange word to include in a discussion about marketing, it seems entirely appropriate when reviewing the career college landscape.

Career colleges can and do reflect the element of passion more effectively than

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any other sector of higher education. Career colleges see themselves most often as being in the business of changing lives, transforming people, and enabling

individuals to be successful. That takes passion.

Passion must find its way into the marketing strategy employed by a career school in order for the institution to attract the students who need and want to be in demand when the supply is short. The faculty needs to bring passion into the classroom with them every day. All employees of the institution—staff and faculty alike—must reflect passion. Passion must be the key element in the customer service elements of the school or college. Students must feel it each time they interact with anyone who works for the institution.

Bringing passion into the classroom can best occur if the faculty possesses imagination and is willing to pursue the role of facilitator rather than lecturer. Nothing is more deadly than a teacher standing before a class espousing a lesson and assuming a connection has been made. Today's student is used to and enjoys a multi-colored, multi-sound world everywhere—except the classroom, in too many cases. Teachers who develop projects, team activities, and student presentations are more likely to be blessed by graduates as opposed to dropouts. This is how passion is repaid.

In mastering the opportunity to reflect passion, an institution needs to see the value of not just creating a sale, but more in creating a relationship. If done correctly, that relationship is lifelong, producing additional sales opportunities through a vigorous referral program, regularly bringing new prospects through the doorway.

Summary

With the door of opportunity wide open, private career colleges, and all schools for that matter, are in an excellent position to benefit from a review and an adoption of the New 5 P's of Marketing. Historically, these institutions have mastered and maneuvered with agility whenever market conditions or bureaucratic demands forced changes on the landscape. The entrepreneurial spirit and skill has forever been the element that allowed the sector to adapt successfully to change. Use the New 5 P's as the framework to undertake this change:

Look for and master Paradox. By defining the Paradox that exists in your community, an institution can begin the marketing process to separate the institution from others in the area in the minds of prospective students and employers. Learn from the advice of Ries & Trout by claiming a word or theme that sets the institution apart. If you define the institution as The Career College, or The Career School and market with it, no other competing institution can define itself in the same way.

Recognize the value of Perspective. Not being "all things to all people" is the first important point of recognition. Clearly defining the institution's role and function vis-a-vis the primary and secondary markets will allow for an important delineation between competing colleges in the same market.

Realize that a Paradigm shift has occurred. By seeing how the public

now regards the need and value of education and training, an institution can play to this impression by demonstrating an ability to provide positive results through skilled graduates.

Remember that we are all in the Persuasion business. Tom Patty says that we must master persuasion by effectively utilizing the three essential components of any attempt to persuade: (1) Be a credible speaker, (2) Have relevant content, and (3) Appeal to the basic emotional drives of the audience.

Make Passion a central part of the institution's persona. Rather than reflect an "everything fits all" presentation, the institution must recognize and relate to the unique needs of each student who desires to reach some mutually satisfactory goal. Today consumers have an incredible array of choices when it comes to getting skilled or getting trained. Why should they choose yours? Patty says, "We're

moving into a new paradigm in which advertising creates exciting, stimulating dialogues with consumers designed not just to make a sale

but to create a relationship." He believes passionately that this is the best way to get and keep a customer.

Recognizing the revolution and making it part of the institution's fiber is today's challenge.

Properly incorporating the New 5 P's identified by Tom Patty provides the keys to success. Relationship selling will assist the institution to rise above the competition and reach new heights of success, while surviving the revolution!

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– Tom Patty, President
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