Survival is Not Mandatory

Thank you for the opportunity to share some reflections at the McComas Leadership Seminar. I am frequently asked to speak on leadership, but I have less formal training on this topic than almost any of our current students. I tend to realize while I am preparing remarks that I actually do have something to say... although not always what you might read in a book on leadership. I did take inspiration from this year's theme of "Change." I have entitled my talk, "Survival is Not Mandatory," a partial quotation that I will properly reference later. This phrase sounds a little alarming, but I have found that knowing that survival is not mandatory sharpens one's focus, and probably results in better decisions and greater impetus to adapt.

**Here is my principal point:** Before you join an organization, whether you will be the president, a member of the board, a mid-level manager, or a member of a team, you should first reflect on **whether the core mission is still relevant** (or if you prefer to think metaphorically, strip away all of the leaves and the twigs and go to the trunk and especially the roots). Are there changes in the environment that cause you to question the relevance of the core? Or is environmental change merely indicating that strategies
and tactics must change? If the core mission continues to be meaningful and important, changes in the organization should protect the core and move everything else closer to it. This is where strategic plans are important. Strategic plans should provide straightforward answers to what should be trimmed and what should be encouraged to grow.

*If the core mission is no longer relevant,* it may be time to fold, or to use the remaining assets to develop around a new core mission.

In all cases, it is important to *recognize* changes in the environment that are coming. Often, the environment has already changed before we recognize it. Sometimes, it occurs so slowly that it may be too late before you notice. Other environmental changes may be sudden and unexpected. Those that survive and thrive *can recognize systematic and permanent environmental change behind a foreground of temporary cycles and noise.* Most people have the capacity to recognize permanent changes, but we do naturally tend to deny that permanent change is underway. We look for other explanations.

Let me give a few examples from my own experience.

I joined *Bellcore* in 1984 after the consent decree that broke up the Bell system into long distance (AT&T) and seven regional operating companies (“Baby Bell” regional companies). Bellcore was formed as the central research lab for the Baby Bells, and Bell Labs went with AT&T. The assumption was that the Baby Bells would not compete, since they were regional. Each owned one share of stock in Bellcore.
This model worked well for a few years until the Baby Bells figured out ways to compete in each other’s territories: for example, buying cable companies and getting into the wireless business. Although the basic tenet of our existence started to fail early, our CEO protected us for about three years beyond the point at which the writing was on the wall.

This was a case when the fundamental assumptions underlying the company were simply impossible to sustain. That the CEO bought us some time helped us place most of our talent elsewhere.

It happened that I became a first-level manager at Bellcore in 1990, just as we were deciding to wind down our operation. I had three years to help find new opportunities for my group members who were “surplussed.” I have many interesting stories that I could share about these days. Suffice it to say that it was a crash course in change management. In the end, it was right that our “central services” part of Bellcore was disbanded. It no longer made sense, and its gentle but systematic dismantling was artfully orchestrated (for the most part).

The second example I will use is Purdue University’s strategic plan. Its value was proved during substantial budget cuts ($45M nonrecurring and >$67M recurring). The strategic plan was developed in 2007, three years before I became provost.

Although it was a document full of feel-good words, generated by hundreds of employees, students, and stakeholders, there were only three meaningful phrases that emerged for me: 1) Launching Tomorrow’s Leaders; 2) Promoting Discovery with Delivery; and 3) Meeting Global Challenges. Effectively, these three phrases divided
our three mission areas, Learning, Discovery and Engagement, roughly in half. For example, if we had resources to infuse or budget cuts to implement, we would protect our programs that promoted commercialization over those that did not in our Discovery mission.

As I became provost in 2010, we had substantial cuts to implement. The Strategic Plan provided a guide as to how to make these cuts. Again, I learned much more about dealing with financial crises than this observation, but this is the point that is salient to this topic: You do strategic planning so that you know where to invest finite resources.

The third example is not from my direct experience but from that of a sister institution in Virginia, and that is the case of Sweet Briar College. Although this case is still in flux, it does illustrate the tough decisions that leaders must occasionally make, despite the history and sentiments that envelop the stakeholders. The leadership of Sweet Briar recognized the long-term decline in interest in single-sex colleges, and the declining wealth of those who might consider such learning environments, as long-term, inevitable trends. The result was an unsustainable discount rate (list tuition rates had to be reduced by 62% to maintain enrollment), and debt payments that exceeded capacity in the near and long terms.

Sweet Briar could have seen these trends evolving decades ago, but they chose to ride out their core mission right to the end. Could they have severed their roots and reset their core mission? Yes.
They could have admitted men, added graduate professional programs, and even opened up an urban satellite campus to complement their beautiful rural main campus. They chose not to do this.

Was that a mistake? It is not yet clear. In any case, the Sweet Briar of the last century could not have survived. W. Edwards Deming, legendary engineer, scholar and leadership philosopher, is credited with saying, “It is not necessary to change. Survival is not mandatory.” Sweet Briar’s leadership has decided that survival is not mandatory, just like Bellcore. The difference is that Sweet Briar had been in existence much longer than Bellcore.

Now to Virginia Tech...with a core mission that is more relevant than ever, and an institution that has changed many times to adapt to a changing environment, so as to stay true to the core mission.

Go back to the Morrill Act of 1962. In modern terms, Virginia Agricultural & Mechanical College had two clear missions: 1) to prepare the next generation, from all economic backgrounds, to be engaged citizens in our democracy; and 2) to translate new knowledge into practical results that help to develop the local or regional economy.

More than any other institution I know, Virginia Tech in all of its manifestations has clung to those two elements of its mission. In addition, early in its existence (119 years ago) the predecessor to Virginia Tech formally adopted the motto, Ut Prosim, “That I May Serve.” So it is really two mission elements with an overriding theme.
The change from VPI to Virginia Polytechnic institute and State University in the era of T. Marshall Hahn was a radical step at the time. The corps was no longer mandatory, and the enrollment tripled.

The recent emphasis on research was a comparable transformation. In the past 10 years, VT has passed up a dozen peer institutions and no one has passed us in research funding.

Likewise, the commitment to the interconnection between science, engineering, art & design is a third example.

We have proven that this institution can and will change to adapt to the environment with radical institutional transformation, so as to preserve the core mission.

It happens that our core mission is more relevant than ever in our history. So while survival is not mandatory, Virginia Tech is thriving, not just surviving, because this institution and its leadership have been quick to acknowledge the future, even while striving to invent it.

Speaking of the future: What in the current environment is changing irreversibly, and what is simply cyclical or noise?

- I believe that the decline in public funding of Virginia undergraduates is effectively irreversible. It has been occurring for 30 years, with occasional short-term reversals. In the last 15 years, we have lost half of our per-student funding in today’s dollars. I don’t think it is good stewardship to assume that we will see a reversal. It is possible, but there is nothing to suggest that it is likely.
• I believe that the public funding of university research has seen its heyday, and future support will come from industry, foundations, private philanthropy and investments in university-originated technology.

• I believe that only globally-relevant research universities will thrive. We cannot reverse the trend that the world is more connected and interdependent than ever.

• I believe that universities that do not recruit talent from the broadest pools will become irrelevant. We need every form of diversity. We need an inclusive environment in order to take advantage of that diversity and to sustain it.

Despite the threats and the inevitability of the changing environment, there is no organization with a stronger core mission and a stronger community than Virginia Tech. We are an institution with purpose – one that happens to be more relevant than ever. I would rather manage change in an institution with an unassailable strength of purpose and a history of fearlessly adapting to the changing environment. That describes Virginia Tech. I invite you to help me lead the change that will be necessary to stay true to our core mission.