

# Successful CEOs Court Risk and Change

Colleges and university leaders often avoid risk, viewing it as potentially controversial at best, and at worst, a prelude to possible failure. Yet, as countless contemporary examples demonstrate, "playing it safe" no longer works in either higher education or in business because, while some colleges and corporations are basking in past accomplishments, others are gaining a competitive edge.

To thrive in a world in which rapid change is the only constant, effective organizations today must be models of innovation, openness, and competitiveness. In his book *The Flight of the Creative Class*, for example, author Richard Florida cites the emerging economic threat to America by nations such as Australia, New Zealand, Finland, and Ireland that are willing to invest heavily in research while nurturing creativity.

Transformational leadership is the subject of a book, *The Entrepreneurial College President*, published in 2004 by the American Council on Education (ACE). In it, the CEOs of 17 institutions nationwide were cited for, among other things, their ability to innovate and create opportunities for their universities.

Effective leaders must take calculated risks to move their organizations ahead. If a college or university is not where it should be, a new marketplace must be created. Continuous re-invention is the key to dynamic leadership and long- and short-term survival.

Take the case of Starbucks, which took a sleeping supermarket commodity — coffee — and began marketing and selling it in infinite varieties in trendy stores, thereby establishing a whole new market.

Following are some additional hallmarks of leaders willing and able to successfully harness change.

• **Be proactive** — In marketing a new product or program, it's usually better to be first than to be best. Academe is known for its deliberate decision making processes, which often delay pivotal decisions until the window of opportunity has closed. Successful leaders act decisively to seize the moment at hand.

• **Find a need and fill it** — The most basic definition of marketing is to look for synergistic partnership opportunities. At Wesley, for example, the campus is surrounded by a neighborhood in which many youth are "latchkey kids," lacking meaningful after-school activities while parents work. To fill the void, an active Wesley Boys & Girls Club was created on campus, where education majors and faculty are actively involved with at-risk adolescents, helping kids and thereby benefiting the entire community.

• **Look for win-win opportunities** — Facing a changing demographic among traditional undergraduate women, Patricia McGuire, president of Trinity University in Washington, DC, embarked on new weekend/evening programs to attract professional women, adding new graduate and certificate programs. These degree completion programs fulfill an unmet need in the Washington business community.

• **Minimize the risk** — Being a catalyst for change does not mean acting with disregard for the consequences of failure. Many colleges have taken on large debt loads by building new student residences and facilities on the fallacious "if you build it, they will come" assumption. At Wesley, a new "residential village" has been designed so that it can be rented to community members if student demand declines.

• **Seek the "silver lining" in the cloud** — Necessity is frequently the mother of invention, and success is often born in the wake of tragedy. At Tulane University in New Orleans, President Scott Cowan has taken some bold steps to ensure survival in the wake of Hurricane Katrina. Instead of luring prospective students based upon the "old" New Orleans, he has repositioned his university as the place for young men and women who want to help rebuild a city.

• **Stay positive** — Had the inventor of Post-it notes listened to his superiors at 3M, he would never have developed the product that has become an indispensable to modern life as satellite technology and penicillin. CNN founder Ted Turner would never have invested in cable television had he listened to those who insisted it could never compete with the networks. Instead of listening to the "it'll never work" philosophy, leaders in successful organizations turn these arguments around to "together, we'll make it work."

As stressful as organizational change may be, the alternative — stagnation, decline, and eventual death — are even less palatable. Successful leaders seek, welcome, embrace, and manage risk to move their organizations ahead. ■

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