Overview

(A) The strategic landscape (Stephen Connelly)
- Strategic transnational options for Australian universities and global positioning
- RMIT plans for growth 2011-2015

(B) Transnational strategy project 2010-2011 (Jim Garton)
- What does it take to be transnational?
- Project scope, issues and outcomes

(C) Next steps (Stephen Connelly)
- Integrated planning
- Business development and implementation
(A) The strategic landscape (Stephen Connelly)

- Strategic transnational options for Australian universities and global positioning
- RMIT plans for offshore growth 2011-2015

Overall transnational context

Australian universities have a significant investment in transnational education, mostly in Asia

- **Main markets**: RMIT is significantly involved in the main TNE markets in Asia (e.g. Singapore, KL, Shanghai, Hong Kong)
- **Trend to branch campuses**: According to Banks *et al* (2010)*, a majority of 85% of the 60,000 Australian offshore students were enrolled in on-campus programs at branch campuses or offshore campuses, with a trend over the last few years to branch campuses as the dominant model, and a decline in distant education and online delivery
- **Trend to enrolling at home**: There is also a trend in the main Australian TNE host countries towards students enrolling in their home countries rather than abroad

Transnational strategic options for Australian universities

- Engagement
  - Consolidation (most universities?)
  - Growth (e.g. RMIT)
- Non-engagement (e.g. University of Melbourne)
- Disengagement (e.g. University of SA)

RMIT has taken the option of growth offshore: Currently Australia’s largest transnational provider, with a strong presence in Asia, seeking to grow globally

Context: RMIT Strategic vision

- The RMIT Plan “Transforming the Future: 2011 - 2015” has ambitious offshore growth plans…

  For example Goal 1: “Strengthen our global reputation, by extending our physical and virtual presence through international campuses and partnerships”

- The overall thrust of the new University strategy is integrated global growth in transnational activity, in selected key cities, delivering diversified offshore education in the University’s high impact areas
2010 transnational profile - strengths

- **Major cities**: 2 offshore campuses in HCMC and Hanoi; partners in Singapore, Hong Kong, Kuala Lumpur, Shanghai
- **Enrolments**: c.15,000 students enrolled offshore in campuses and partnerships (more than RMIT onshore international enrolments); largest TNE provider in Australia
- **Revenue and margin**: c. $30 million p.a. in offshore income and 25% of RMIT overall margin of $40M (a significant contribution)
- **Global university**: Important contribution to internationalization of RMIT
- **Quality**: Strong quality policies and practices

2010 transnational profile - opportunities

- **Asia focus**
- **Mainly non-university partners (semi-government, private, professional associations)**
- **One-to-one partner relationships**
- **Offshore delivery (few pathways to "onshore")**
- **Predominantly undergraduate programs**
- **Large reliance on Singapore and on one partner**
- **Mainly business programs**
Transnational project brief – June 2010

Aims

In the context of the university's plans and international strategies for the period 2010 to 2020, the project will:

- Assess business models for transnational activity
- Support a strategic review of current alliances to identify partnerships with further potential for development
- Assess foreign jurisdictions for transnational opportunities
- Identify and prioritize new opportunities for a broad range of transnational activities
- Initiate specific priority opportunities

(B) Transnational Strategy Development
Project 2010 - 2011
(Jim Garton)
What does it take to be transnational?

Acquiring transnational assets requires the development of multinational skills and transnational expertise across four major areas*:

1. Developing a strong **strategic focus**
2. Managing **intellectual capital** on a global basis
3. Organising the necessary **logistics** across borders
4. Taking knowledge to **clients** regardless of their geographical location


What is “strategic”?

**Three strategic levels** for international partnerships:

- **“Level One”** – Those that are strategic from a whole-of-institution perspective and which aim to involve a wide range of faculties and departments in collaborative teaching and research. These tend to be selected and promoted by top management.
- **Level Two** – Those which are initiated at faculty or departmental level.
- **Level Three** – Those which are essentially one-to-one arrangements between individual academic staff or researchers.” *

Project stages (chronology)

- STRATEGY
- BUSINESS DEVELOPMENT
- PROJECT MANAGEMENT

Project scope and scale

Consider models for transnational activity, including:
- Wholly owned campus development
- Strategic alliances such as joint ventures
- Partnerships managed through third parties
- Collaborative articulation partnerships

This meant considering partner types; delivery models; a global focus with new key cities/ countries/ regions.
Types of global presence

The type of global presence is an important factor in achievement of scale and sustainability.

Report (2) to the Transnational Reference Group focused on a “typology of global presences” across four broad types of transnational activity:

1. Articulation
2. Licence
3. Fly-in/fly-out
4. Branch campus

Types of global presence – description

|-----------------|------------|------------------|-----------------|
| “Various types of articulation arrangements between institutions/providers in different countries permit students to gain credit for courses/programmes offered/delivered by collaborating institutions/providers”. E.g. simple Credit Transfer Agreements or more elaborate Collaborative Articulation Program via a third party providing English language/foundation + transition support | “An arrangement whereby an institution/provider in the source country A authorises a provider in another country B to deliver their course/programme/service in country B or other countries. The qualification is awarded by the institution/provider in Country A. This is usually a for profit commercial arrangement.” E.g. Laureate proposal to RMIT for licensing arrangements in Malaysia | Programs in which the provider institutions are actively visiting (and are required to visit) the offshore host institution in which the students are studying. In these programs the provider institution would be actively involved in providing curriculum, the direct teaching of students in the host institution, supervising student assessment, and the training of host institution teachers. E.g. RMIT partner Singapore Institute of Management | “Provider in country A establishes a satellite campus in country B to deliver courses and programmes to students in country B ...The qualification awarded is from provider in country A.” Types of branch campus** include: 
- Model A - Wholly owned by institution 
- Model B - Externally funded 
- Model C: Facilities provided 
E.g. RMIT Vietnam now an example of Model A (with significant initial funding) |

* Quotes from Knight (2005). ** Based on Verbik & Merkley (2006)
Branch campus models*

- **Model 1**: Wholly Owned by provider institution (e.g. RMIT Vietnam). Provider institution is responsible for all aspects of operation.

- **Model 2**: Facilities-provided (e.g. Curtin/Navitas Singapore; University of Wollongong/Dubai Knowledge Village) Can be joint venture with the provider university responsible for curriculum, QA, oversight of staff; offshore partner manages campus – teaching, admin, marketing, finance, accreditation.

- **Model 3**: External funding (e.g. Nottingham University/Ningbo China). Funded by host country governments or private companies.


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Project Outcomes

- Review of current transnational profile, strengths and weaknesses, planning goals, strategic alignment, overarching business model (Report #1, Feb. 2011)

- Transnational strategic priorities (Report #2, June 2011)

1. Focus on key cities in Asia, Europe and Latin America as RMIT’s points of global presence

2. Enable scale and profitability with an overarching business model based on two levels of delivery (degree granting locations and pathway nodes)

3. Diversify delivery across disciplines (e.g. more focus on “high impact areas”, postgraduate delivery and research, and VET)

4. Engage a range of quality partnership and standalone options (e.g. articulation, licence, fly-in/fly-out, branch campus)
Project Outcomes ... continued

- Advantages and disadvantages of articulation, licence, fly-in/fly-out, branch campus models (Report #2, June 2011)
- Working Groups established for Tianjin (Chair: Julie Eisenbise) and Latin America (Chair: Tony McKittrick)
- Business development focused on Europe, Asia, and Latin America

(C) Next steps (Stephen Connelly)

- Integrated planning
- Business development and implementation
Strategic alignment

Offshore growth is a central feature of RMIT's interrelated University plans:
- (Draft) University Internationalisation Plan
- University Business Plans
- 2012 International & Development Portfolio Plan and to 2015

Next Steps: Business Development

Business development focused on potential high profile/large scale initiatives in Europe, Asia and Latin America:
- Europe
- China – Shanghai, Nanjing, Tianjin …
- Indonesia – project manager appointed
- Malaysia - project manager
- India - project manager
Next Steps: Project Management

An advisory group - International Business Group (IBG) - is being organised in I&D, to assess the feasibility of strategic proposals:

- Evaluate the business case for submissions to VCE
- Enable the University to achieve scale, quality and sustainability in major offshore initiatives in key cities, in accordance with the University Plan
- Comprised of senior I&D managers, plus Legal Services and Finance Service Group managers, with DVC (I&D) as Chair