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S.A.G.E

The Deloitte Framework to establish a leading
Higher Education institution in KSA

Foreword

Vision 2030 aims to diversify the Kingdom's petroleum-based economy and to drive sustained growth through a knowledge-based economy. This has resulted in the rise and fast development of many new sectors, which require a dedicated workforce.

And while 4,5 million young Saudis are to enter the workforce by 2030, there seems to be a gap between the demand and the offer of the job market.

To enable the Saudi youth to take their place in the workforce and to contribute to the Kingdom's economic and societal development they must have access to leading higher education institutions that cater to local needs.

The Saudi educational sector has already been making great efforts to cater to the emergent sectors' requirements, however it seems that there is a need to accelerate these efforts.

We at Deloitte have recognized this need and based on our global expertise and local experience we have developed the S.A.G.E Framework that will guide you on your journey to establishing a leading higher education institution and to accelerate your transition towards a knowledge-based economy.

"Education is the premise of progress, in every society, in every family."

- Kofi Annan

S.A.G.E by Deloitte

...the insight you have been waiting for to accelerate the transition to a knowledge-based economy

The framework covers critical elements of establishing a leading educational institution structured around three main building blocks:

I. **S**trategic Direction: Setting up for success by defining the cornerstones of your institution's forward-looking strategy

II. **A**cademic Value Proposition: Bringing unique qualities to your students that will differentiate you from your competition

III. **G**rowth **E**nabler: Setting up the support system of your organization, that will enable you to deliver on your promises
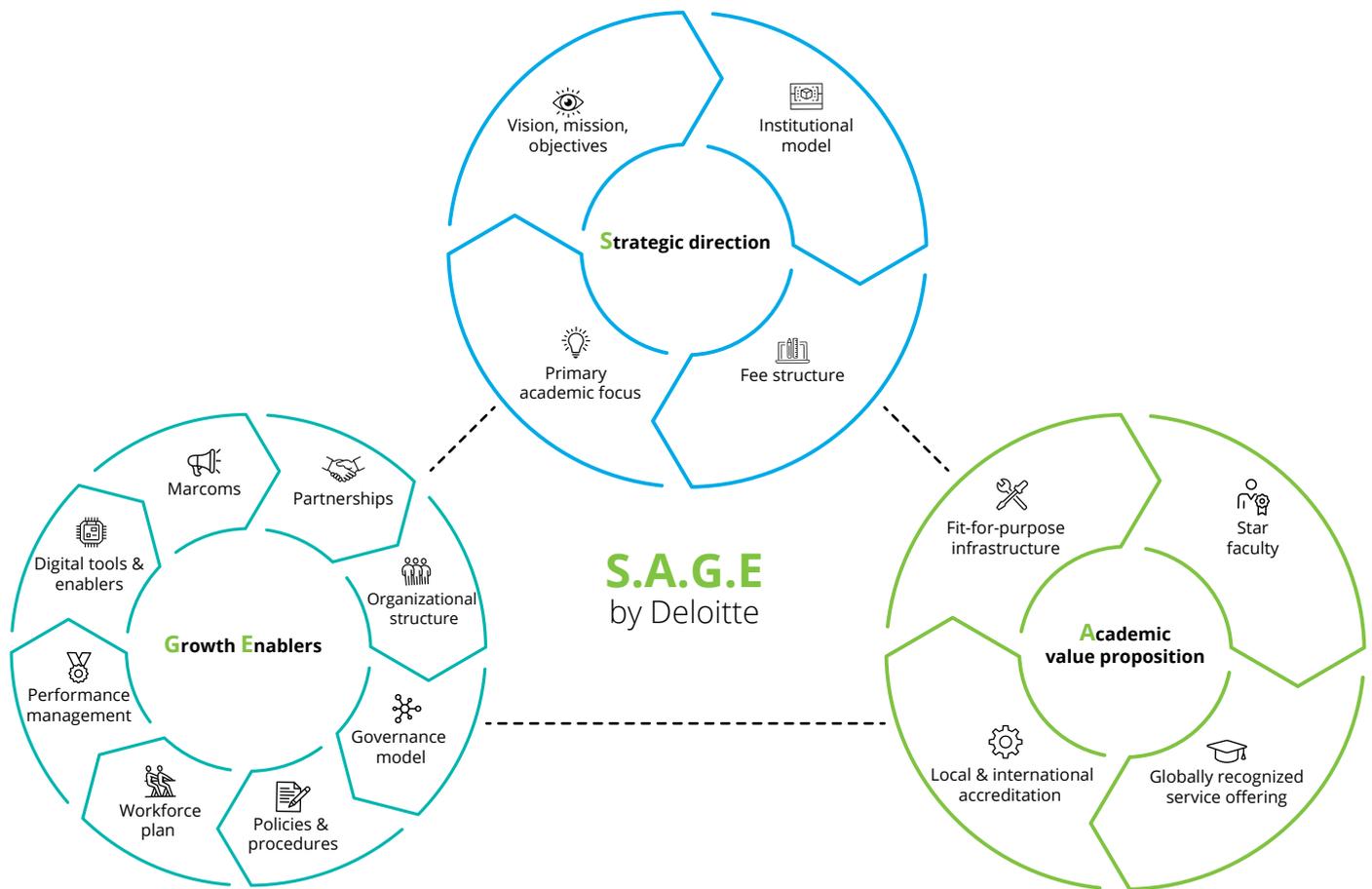
Figure 1: Strategy framework – SAGE by Deloitte

Through our framework we aim to bring a holistic view to establishing a leading higher education institution, however going forward we will focus only on certain elements of this framework that apply to the educational space only, consequently being of higher interest for the readers of this paper.

I. Setting up for success

Defining the strategic direction of your institution is crucial to its success. The vision and mission of your institution will ensure a common understanding of your aspirations and objectives to all stakeholders and will serve as the one source of truth of all your subsequent choices.

One of the first choices you must make at this stage is around your institutional model and fee structure.

Typically, there are two main institutional models to consider:
1. University or college department, where you embed your institution as a department under an already established higher education institution
2. Stand-alone higher education institution, where you establish a new institution without being affiliated to an already existing one

To make a knowledgeable decision, we would advise you to consider the type of **administrative independence** you would like to have, the collaboration model you'd like to adopt, your infrastructure

bets, and budget available, to name a few.

From a tuition fee structure perspective, there are mainly three structures to consider:
1. Subsidized fee structure, where tuition fees are mostly subsidized with only small fees payable by students
2. Incrementally progressive fee structure, where only selected courses are subsidized
3. Full fee structure, where students need to pay for all courses

We would advise to adopt a subsidized tuition structure with the potential to transition over time to an incrementally progressive structure to encourage potential candidates to join the institution, especially in the context of Vision 2030 that brings into attention many new sectors with potentially lower attractiveness to students due to lack of awareness. Additionally, this will allow you to stay competitive in the GCC region where most of the higher educational institutions being government owned, offer free education or highly subsidized tuition to local students.

Administrative independence
Opting for a University or college department model will allow for less control over the administrative and governance elements; however, it will make accreditation faster and easier

Key takeway #1
Pursue a highly subsidized tuition model to raise awareness and increase attractiveness of the new and developing sectors to make the organic demand stronger.

II. Bringing unique qualities to your students

Designing the service offering of your institution is one of the most important elements to consider, but also the most strenuous to get right, as it must be currently relevant, but also innovative and forward looking.

Typically, there are three main types of academic service offerings in the portfolio of a leading institution:
1. Academic degrees (e.g., Bachelors, Masters, Doctorates)
2. Non-degree offering (e.g., short courses, webinars)
3. Non-academic offering (e.g., community outreach, student services)

In the current KSA context, we would recommend a phased approach starting with the early introduction of non-degree offerings, such as short courses and webinars that are essential to equip young talent with the preparatory skills necessary to approach more structured academic programs. In addition, going forward this will result in a larger and better prepared pool of candidates for degree programs, and will allow for more stringent enrollment criteria, consequently increasing the quality of education.

We would recommend introducing a mix of targeted courses (i.e., teach the teacher, skill enhancements, masterclasses) which will elevate the skills of candidates and general courses (i.e., sector discovery workshops, discussion workshops with professionals) to ensure increased attraction of a wider candidate segment.

Based on our experience, short and repetitive courses seem to be the most attractive to candidates as they enable them to experience a wide range of topics and increase the level of students' commitment, while from the institution's perspective it requires relatively low implementation efforts. A mix of online and in person delivery is recommended.

Academic degrees should follow in the medium-term, however the introduction of masters and PhDs should be aligned with the sector's maturity and employment need, otherwise there is a risk that graduates will not be able to leverage their diploma outside of the educational system.

When designing the academic degree offering, we would recommend 5 key areas to consider:
1. Programs spectrum (i.e., variety of programs offered)
2. Enrollment criteria (i.e., expected level of proficiency)
3. Student pathways for a specific degree or program (i.e., key qualifications required)
4. Education system (e.g., credit or yearly system)
5. Curriculum (i.e., the courses per program)

Developing a broad spectrum of academic degree programs would be beneficial as it will enable a diversified offering that will attract a high number of candidates as topics / programs will cater to a wider audience. However, developing the curriculum for such a broad offering can put a lot of pressure on the institution, therefore in the early stages of the institution we would consider adopting an existing curriculum through partnership with other institutes, and further refine this in the medium to long-term.

Key takeway #2
Adopt a phased approach, and prioritize the early introduction of short courses, followed by diploma and bachelor's degree. Once you have a credible offering on the medium term, consider introducing masters and doctorate degrees.

We would advise to prioritize local faculty and leadership, however do not shy away from international talent, as this will allow on the short-term to have access to a broad knowhow immediately, while on the long-term will enable knowledge transfer and the further development of local faculty.

The next big step is to get the institution and its programs accredited. This might come with a lot of administrative hustle as regulatory requirements can be complex and could require multiple rounds of discussions and consultations. Therefore, it is important to engage with the accreditation stakeholders as early as possible to reduce accreditation timeframe.

In addition, it is worth considering whether you would pursue national or international accreditation for your institution and its programs.

While we believe that a leading educational institution should acquire both national and international accreditation, we would recommend prioritizing national accreditation. This will ensure aligning to national standards and the official recognition of the institution as an education institution.

However, in case of nascent sectors, the educational institution might be faced with a gap in the local accreditation system, hence needing to directly pursue an international accreditation. This is a good reminder of the fact that while education is essential to the development of the ecosystem, the lack of the same ecosystem might hinder progress.

As part of the unique qualities of your institution, it is crucial to have a fit-for purpose infrastructure, both offline and online. However, before designing your infrastructure, you will need to make a strategic decision regarding your campus and whether you plan to develop an educational hub, a one stop shop for your students by centralizing your activities around one campus, or you would prefer conducting activities across satellite campuses spread across the country.

We believe that, in general, a centralized campus hails more benefits, and we would recommend pursuing a decentralized approach only as an exception.

Key takeway #3
When the local accreditation system is in a place, national accreditation should be prioritized. Otherwise, the institution should directly pursue an international accreditation.

III. Setting up the support system

There is a long list of growth enablers that you need to consider for the successful activation of your strategy and value proposition, however, going forward, we would like to focus on three key enablers with specific educational content: partnerships, organizational structure and your marketing and communication plan.

Partnerships are key to the institution's success as they will enable access to the right knowledge, resources, assets, and funding, lowering the burden on the institution of setting up and developing a greenfield operation.

Generally, throughout the lifecycle of an education institution we have identified three main types of partnerships:

A. Strategic partnerships – These are the partners that you will take along the way from day one, who will share the burden of setting up the institution from both a strategic and funding perspective
B. Academic partnerships – These are the partners that will enable you to have access to the right knowledge, resources, and the right faculty, etc.
C. Support partnerships – These are the partners that will enable you to develop your support activities such as Technology, Marcoms, and possibly support the institution to get the right accreditation, amongst others

It is advisable that you select and prioritize partnerships that are on the critical path of establishing the institution. Such partnerships can be, but are not limited to, strategic funding partners, academic partners, career partners, accreditation partners and communication partners.
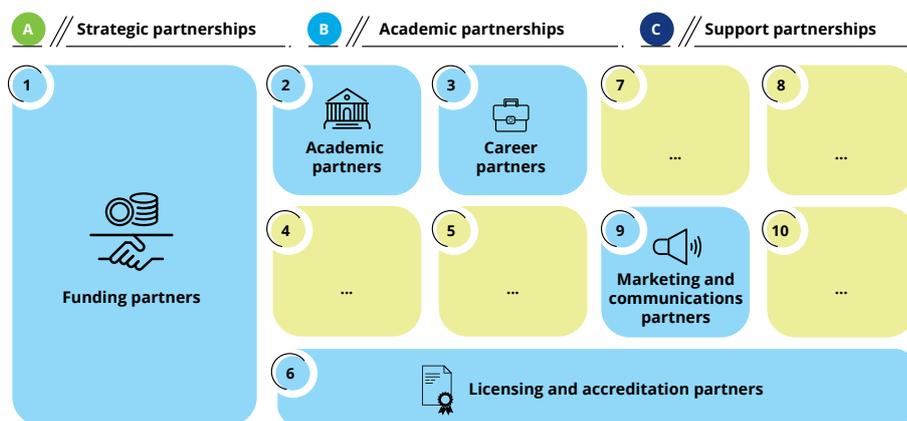

Figure 2: Partnership Framework

Key takeaway #4
Leverage partnerships in the early stage of your institution, as they are essential to achieve success in a nascent ecosystem.

The career partner will prove extremely helpful when scouting your faculty and non-faculty staff, this being one of your top priorities. However, before engaging with such partners, you will need to set up the right organizational structure. Based on our experience it is most beneficial to set up a 'live' organizational structure that can develop and grow overtime, alongside the academic offering, and candidates and faculty alike.

Key takeaway #5
Develop a phased organizational structure and aim to establish a minimum viable organization to start with, and gradually expand alongside the institution and its offering.

As we are nearing the end of your journey to setting up a leading higher education institution, it is time to discuss another essential business enabler: the institution's marketing and communication plan.

Assuming a nascent or in development sector in view of Vision 2030, your marketing and communication actions will have a high societal impact and will not only promote the institution but also the sector itself.

Your audience, therefore, should be broad, including students, faculty, partners, and the wider local/regional community, and your communication loud. We would advise organizing a set of 'big bang events' to ensure that the institution gets the right coverage in the media.

Key takeway #6

The institution's marketing and communication activities will fufill a higher scope of promoting the sector itself alongside the institution, this way having a larger societal impact.

Case Study| How to establish a Higher Music Institute in the GCC region

The context

The local authorities have been assigned the responsibility to regulate and develop the music sector, and in this regard decided to establish the country's first Higher Music Institute with the objective to provide the highest level of music education and professional training for local music talent, to foster the artistic and creative engine of the music sector locally and become an ambassador for Arabic music around the world.

The challenge

- How can we set up a Higher Music Institute in a space where candidates were not exposed to any formal music education in their prior schooling?
- How can we accredit the institution in a space where accreditation criteria are not adapted to the Music sector?
- How can we build the ecosystem and enable internal growth leveraging external partners?
- How can we raise awareness and improve attractiveness of the institute and the sector?

The solution

The authorities collaborated with Deloitte, who mobilized its large pool of international and local experts for this endeavor. We followed the **S.A.G.E** Framework and developed the Higher Music Institute's strategy and operating model successfully solving the client challenges, through the following:

Developing the institute's academic offering focusing on short courses and preparatory diploma courses in the short to medium term, to fill in the proficiency gap and to prepare candidates for bachelor degrees
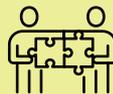
Identifying the right partners for the institute and developing a partnership model that will enable the development and growth of the music ecosystem locally

Assisting the institute and authorities in overcoming the hurdles of accreditation by leveraging international best practices

Developing a holistic marketing and communication plan to address the larger public and promote the Music sector

Conclusion

The dynamic KSA economy and society need the support of the education system to thrive in the long-term. Enabling the Saudi youth to have access to leading higher education institutions will empower them to take their place in the future workforce and drive a sustained economic growth.

The **S.A.G.E** by Deloitte Framework was developed based on our proven experience in the sector and addresses critical elements of establishing a leading higher education institution, elements that have always been top of mind for our clients and ourselves and have led to invaluable insights.

The overall learning that we would like you to embrace is that you need to adopt a phased approach in your endeavor. Some would say establishing a higher education institution is a marathon not a sprint, and they would be completely right. Starting from the institutional model to your academic offering, accreditation, and organizational structure you need to prioritize actions that will enable you to develop a Minimum Viable Proposition for your institution that can be scaled and improved throughout the years.

Incrementally develop an institution as a platform capable to bridge the academic path of young graduates with professional opportunities, by implementing a balanced portfolio of innovative programs and curriculums, with an early introduction of short courses, webinars, workshops to equip young talent with the preparatory skills necessary to approach more structured academic programs. Finally, engage early in the game with three main stakeholders: (1) accreditation stakeholders to reduce accreditation timeframe, (2) the institution's leadership to ensure quick and affective activation, and (3) the right partners that will bring to the table the necessary skills, knowledge, and resources to ensure early success.

'Dream Big, Start Small, and Act'.

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