

Ben Kahn: Welcome to the UP TechTalk Podcast special series on the future of education.

Maria Erb: Talking about likely scenarios for learning in both the near and distant future. Our guests for this series include both UP faculty and guest academics and futurists from across the United States.

Ben Kahn: Look out for new episodes in this series on the first Friday of every month during the fall semester.

Maria Erb: We talk with our guests about a lot of fascinating topics that are sure to spark your imagination. We invite you to continue the conversation on social media by following us on Twitter, @UPTechTalk.

Ben Kahn: Make sure to join us at techtalk.up.edu or by searching for UP TechTalk in iTunes for our regularly scheduled UP TechTalk episodes, where we explore the use of technology in the classroom one conversation at a time.

Welcome to another special episode of the UP TechTalk podcast. This is episode five in our special series on the future of higher education. This is Ben Kahn. Today, I'm joined by Maria Erb. Hello, Maria.

Maria Erb: Hey, Ben.

Ben Kahn: Today, we're happy to welcome into the studio, live in person with us, Dr. Sam Holloway from our Pamplin School of Business, here at the University. Sam.

Dr.Sam Holloway: Thanks for having me. It's great to be here.

Ben Kahn: Thanks for coming. We wanted to get your perspective on the future of higher education and how your understanding of market forces in the business world might speak to that. Maria, did you want to lead off our questions?

Maria Erb: I think you just asked the first one, Ben.

Ben Kahn: Okay.

Dr.Sam Holloway: You know, it's interesting. There's a guy at Harvard named Clay Christensen that I quote a lot, and he's written a book. His theory is about disruption, how longstanding industry leaders become susceptible to losing their business. He's actually written a book about disrupting higher education. He's a little bit more focused in his view of what higher education is. He focuses on high-end MBA programs, like at Harvard, where he works, but his thing is he sees corporate universities taking the role of an MBA program like Harvard. That's mostly because, in his words, "the Harvard MBA is really focused on finance," and the salaries that are required, requested by students really only allow them to

populate one industry, which is financial services. Think hedge funds and things like that.

He's worried that because they're so focused on placing their graduates in prestigious jobs with high wages that they're not serving businesses well. They're serving themselves and their students well, but they're not aligned with what businesses want, which I think is actually the real core problem. It's pervasive in our industry to keep doing the same thing because it works and it's comfortable, but the business landscape is changing so rapidly. I'll speak mostly from a business school perspective today. I think the middle to upper-tier schools, not the elite schools, but schools like the University of Portland that are regionally very good but not on the same stage as Harvard or Wharton, we have to think a lot more strategically about our engagement with businesses if we're going to survive. We've been doing a number of things at the Pamplin School of Business for that.

Maria Erb: What have you been doing?

Dr.Sam Holloway: Well, the first thing we do ... and, again, as easy as it sounds, it's not something a lot of universities do. Most universities start with, "Well, what are we good at, and then who can we sell it to?" Our approach ... and we've done this in our MS OTM major, certainly in our online Craft Beer Business courses. Our approach is to go ask industry what it wants, see if it's a fit for us. If it's not, we won't do it. Part of strategy is deciding what not to do, but if it is a fit and we have the people and the curriculum in place and professors that are excited about it, then we will do it.

That's really how our undergraduate OTM major and our MS OTM major came to life. It's one of the best programs in the region. It's very different than other programs. It's focused around what industry wants. Really, professors Mitchell [inaudible 00:04:12] and their team, what they started, the rest of us listened. We saw it worked. We saw that engaging with industry and asking them what they want, even though it takes longer and it's slower, that's where we're going to need to be if we're going to stay relevant.

Maria Erb: So you do see this idea of a corporate university coming to pass?

Dr.Sam Holloway: I do. If not their own internal university, I think our position is, "Let's form a strategic partnership with you so that we can not only design courses for your people but train our students in ways that makes you want to hire them." We've got a 93% placement rate of our undergrads in the School of Business right now. We're very proud of it, and we work really hard at understanding what businesses want across all areas of the curriculum and preparing our majors to be successful.

I think the other thing that nobody's really talking about is most of the, quote-unquote, managers are, let's say, in their 50s or above, the senior managers,

and they're hiring millennials, and they don't really know necessarily how to manage them, because millennials have different wants and needs. The thing that I see the most is they want to create the knowledge too. They want to be part of the process, and we're actually doing that in the Pamplin School of Business, in terms of how we teach, getting the students to be part of the process of creating the knowledge so that when they do get into businesses, they can have an impact right away. They aren't going to necessarily need to keep their head down for two or three years. We tell them, "Go to that meeting. Go to the lunch with your boss or with your boss' boss, listen. When the time is right, go ahead and insert your ideas. Don't be afraid." I think that kind of mindset is going to be helpful for our students.

Maria Erb: Well, do you see business changing on any kind of large scale?

Dr.Sam Holloway: Oh, sure. I don't know if we have enough time to talk about that, but I think the words we use, we use the business model. Business models are changing. An easy example I think a lot of the listeners will understand is the sharing economy. If you take Airbnb, basically you have a bunch of underutilized assets in people's homes, extra rooms. You have a big demand for housing or temporary housing. You used to only have one option, hotels of varying levels, and now you can actually have lots of options.

I think the same thing happens in Uber. You've got underutilized assets, extra space in cars, and people that need to go somewhere and people that are already going there, or willing to take you there in their private cars. We're adapting that in our educational approach. In our online Craft Beer Business program, we realize that the beer industry, it's so regulated and so dynamic that there's no way a few professors can stay on top of everything. We've designed a platform for CEOs and breweries all over the world to share knowledge about how they're adapting to change, and our students share right along with them.

Our students read blog posts and forum posts from CEOs of multi-million-dollar companies that are struggling with the same thing we're talking about in class. They get to look at it in real time. It's this idea of as a university, we don't need to be this monastic enclave of knowledge that only dispenses it. We can become learning organizations too, and we do that with our knowledge sharing platform so that we can connect our students to new and innovative ideas, because business moves faster than universities. It's always been that way. Why won't we try to change to match the pace?

Maria Erb: Well, why haven't we? I mean, not just the University of Portland, but why haven't we ... because that's always been the case, right? Businesses always move faster than the universities.

Dr.Sam Holloway: Yeah. I think there's lots of reasons. First of all, our goal as a university isn't necessarily 100% aligned with the goals of a business. A goals of a business can be to return value to their shareholders. It can be to increase profits, those sorts

of things. Our goal, at most universities, is we do need some level of profitability. We do need to be able to keep the doors open, but we take a little bit of a slower, more holistic approach. We're trying to prepare people for the rest of their life, maybe not prepare people for the next quarter, like some businesses do.

We should use that to our advantage, and I think we do. We prepare students for a long life of not just individual success but happiness, community involvement and those things to make them good citizens, and then they can become good corporate citizens. At the same time, sometimes we just rest on those laurels, and I think there's opportunities for us to get a little bit quicker, to be a little bit more innovative and agile, and to understand what's out there so we can do a better job getting people ready to have successful lives.

Ben Kahn: Yeah. I wonder if there's a risk-aversion component that is present in higher ed that doesn't necessarily have to be present in business, because if you start a really innovative new business and it fails, what do you do?

Dr.Sam Holloway: Yeah.

Ben Kahn: Start another business, right?

Dr.Sam Holloway: I think risk aversion is a big part of it, especially for schools that are doing well. Right now, we're at a time of somewhat unprecedented success, in terms of undergraduate applications, admissions, the quality of students, the quality of graduates. There's a natural tendency not to want to upset things. Going back to Christensen, if you completely ignore changes and trends, you do set yourself up to be disrupted. It's a balancing act. Maybe 80% of what we do should be focused on what's working, but 20% of what we do should be focused on how we can get better.

Maria Erb: You don't see, I don't know, major conflicts, I guess, with these partnerships between private industry and the university?

Dr.Sam Holloway: No. I think it's great. The way that we typically do partnerships in the School of Business is we find companies out there that could hire any one of our students, so maybe a larger company, like Cambia Health or Precision Castparts, that could hire an accounting major or a marketing major, a finance major. They're always looking for new and better employees. By partnering with them, it's not just a financial donation on that part, although that's part of it. We give them preferential access to our students through speed networking, through coming into class and speaking, through informal and formal advertisements to our students about what great companies are. It's a positive for them too. It's not just a nice thing to do. It actually helps them with their strategy.

The best thing that I can give as an example was 10 or 15 years ago, as a School of Business, we really struggled to get our students in front of Nike, maybe the

largest and somewhat sexiest local employer for a lot of our students. Now, Nike hires more School of Business undergrads than any other company in the region. I believe these efforts are working, but it's taking some time and some leadership in our school to take these risks and setup these programs. Our dean and Gwen [inaudible 00:11:21] and her team that set up our Pamplin Professional Preparation Program, it's really working. We wouldn't be at 93% or Nike's preferred hire location without these efforts.

Maria Erb: How many people does Nike hire each year?

Dr.Sam Holloway: Oh, Gwen would have the best statistic. I think it's over 10 the last couple years. When I go out there and do alumni lunches, it's usually 50 or more people that show up that are both undergrad and MBA alums that are currently working at Nike, so it's working.

Ben Kahn: I don't know if you wanted to transition a bit. We've been talking about how higher ed is morphing to maybe meet the needs of the labor force, but if we look far into the future, and the labor force looks drastically different due to things like automation and AI, what do you think the role of higher education could or should be in a society where maybe not everyone is able to work, or not everyone has to work?

Dr.Sam Holloway: I think one opportunity ... Most of higher education right now is focused on early in people's careers, or even maybe before those careers start, and it's great. My college years, I grew not just my knowledge base, I grew as a human being and as a person and made friendships. That's something that is always going to be sacred, but I think the opportunity is to be a little bit more of a professional development piece of people's careers and more be active in their learning a lot longer in their life.

We're doing stuff right now in the School of Business with Daimler Trucks North America where another professor, Mark Meckler, and I, we went to lunch with them nine times over a one year span, and people could come and go as they pleased. We would have brown-bag conversations about innovation and how innovation and disruption might affect a trucking company. We're not trucking company experts, but we do study it in other industries. That kind of a relationship really worked out well. It's easy for people to come have lunch in a room. We're not asking them to go to a whole class. Over the course of doing this nine different times, I think we added three graduate students to our programs, and they're ready to sign up for another year.

Those kinds of outreach, they're fun for us, for faculty. It gets us closer to things we're interested in. We study companies for a living, and the more access you can get, the better. There's a lot of positives to thinking of ourselves a little bit more as a professional development resource. I think the ultimate goal for us, at least in the Portland region, is if you're a company and you need help, maybe instead of calling Mackenzie or one of the big consulting firms, maybe you could

call your local university. You could get an internship from a really motivated MBA student or undergrad student, or maybe you could work directly with a professor. Those kinds of relationships, I think, can be impactful, and I think that's where we need to head.

Maria Erb: Yeah. That's really interesting, but to Ben's question, when you look down the road to even 20 years, it's hard to do, but to imagine a world where no we've got so many highly trained and really talented people, but where are they going to work?

Dr.Sam Holloway: Yeah. I think the days of the ... certainly the days of staying at one company for a long time are pretty much over.

Maria Erb: Oh, yeah.

Dr.Sam Holloway: I also think Portland's economy is a really nice case study of small businesses. The Portland economy right now, I think, has its lowest unemployment in a long time, but we don't have a lot of large employers. We have one, two Fortune 500 companies, Precision Castparts and Nike. We have some other big employers, like OHSU and some other big brands, Columbia Sportswear, but we're not like Minneapolis, Minnesota where a bunch of corporate headquarters are. We're not even like Seattle that has a bunch more large companies, but we're still placing our students in a lot of innovative small companies.

I think the idea of identifying small business as a place to put students is going to be something we can leverage. Universities ... Business schools, I should correct myself. I always generalize but I shouldn't. Business schools that really do well, first, they look close to home and find out what's going on around here and how can we help? Santa Clara, Stanford, they really focus on tech companies because they're near Silicon Valley.

We did this study seven years ago at the School of Business. We looked at what the Portland city government identified as the five major industrial areas from athletic apparel and footwear advanced manufacturing, all of the clean technology, and we said, "What of those can we do?" If those are identified already as the most important industries to Portland's economy, shouldn't we prepare our students to fulfill jobs there? We've been working on that over the last few years, and we've identified some niches, and now we're preparing students to be successful.

I think the small business angle, as more things get automated in big companies, it's going to get a little more entrepreneurial. The students need to learn not just to do what they're told, but to create new ideas. I think that's going to be important as the economy changes.

Ben Kahn: Yeah. I think learning how to innovate could be a really important piece, and I know you obviously work a lot with the Craft Beer industry.

Dr.Sam Holloway: Mm-hmm (affirmative).

Ben Kahn: I think what you're suggesting is that there's the potential for other industries to spring up as Craft-

Dr.Sam Holloway: Yeah.

Ben Kahn: ... really [inaudible 00:16:57].

Dr.Sam Holloway: The Craft economy, or whatever you want to call it, it's not just beverage manufacturing. It's architecture. It's an economy based on ideas and innovation, maybe instead of economies of scale and manufacturing.

Ben Kahn: Right.

Dr.Sam Holloway: We don't know a lot about those. It's fun to be a professor in a city like Portland where a lot of new things are coming in. As we learn more, I think we can do a good job of training our students to help those kinds of companies.

Maria Erb: Yeah.

Ben Kahn: Sam, thanks for joining us and talking about some of these upcoming issues and ideas with us. It's always great to have you come in, and you're welcome to come back any time and talk with us.

Dr.Sam Holloway: I'd love to. Thanks a lot.

Ben Kahn: Thanks.

Maria Erb: Thanks, Sam.

Thanks for joining us for this special episode on the UP TechTalk special series on the future of education.

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