



# **Business Strategy**

## **2011 - 2014**



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England and Wales No. 05731255.  
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## Introduction

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This is the fifth Business Strategy London Higher has produced in its eleven-year history.

The first strategy document was published in June 2003. The London Higher Education Consortium (LHEC), as the organisation was first known, had at that point been in existence for four years, managed under the auspices of London First. The initial plan set the current mission statement: ‘to actively promote, and act as an advocate for, all institutions in the university sector in the London region’ (2003:6).

Amongst a broad range of outputs, including the Study London programme and working with the London Development Agency (LDA), was the expectation that the organisation would “...demonstrate and publicise excellence...through joint action or collaborative working...” (2003:9). This has been the underlying function of London Higher ever since.

By June 2004, when the second Business Strategy was published, LHEC had relocated from London First to be hosted within the University of London. It had also been renamed London Higher. The second strategy endorsed the mission and key objectives of the first one, but noted also the fast-changing environment in which London Higher was working: “... London Higher has to be flexible, and be ready to act swiftly. The priorities of the organisation have to be adapted in-year to suit new circumstances” (2004: 3). In addition to the key goals of collaborative working, promotion and linking to regional agencies, a further goal to “improve understanding of the key

challenges facing London HEIs...” (2004:9) was set.

In 2005 London Higher published its third Business Strategy and the first to cover a three-year period from 2005-2008. This was, of course, a measure of the trust the organisation was fostering among its members. The new strategy arose out of a regional HE consultation organised by London Higher under the title ‘Vision and Excellence’ whereby senior academic leaders in London identified and agreed four key objectives for the London HE group. These were: to establish... London as the undisputed knowledge capital of the world; to maintain and develop essential but high-cost HE facilities; to continue to recruit, retain and develop world class staff; and to enhance strategies and continue partnerships to support and develop London and Londoners.

The role of London Higher was to provide members with support in consulting, planning, delivering and promoting these objectives. For the first time the organisation’s outputs were grouped under the four member aims and specific initiatives were identified for each (cf. 2005: 10-11). In addition to the on-going Study London programme, outputs included developing the evidence base, publishing promotional documents and fact-sheets and running consultation events. A major new programme helping London HEIs contribute to the London 2012 Games, which had just been awarded to the city, was predicted.

The fourth, and current, London Higher Business Strategy was published in June 2008. This built upon a member review

conducted in the spring of that year which rationalised the existing member-driven objectives into four broader aims:

- Maintain an up-to-date and robust evidence base on HE in London;
- Respond to, and capitalise upon emerging priorities on behalf of the HE group;
- Stimulate collaboration...to address specific themes common to the member group or sub-sets thereof;
- Advocate, promote and lobby on behalf of the London HE group, where appropriate...(2008: 8-9).

Under this strategy the organisation has had its most productive period. Study London and the Olympic co-ordination unit (now named Podium), were joined in succession by three new collaborative programmes: SHELL, linking schools and HEIs; London Medicine, reflecting the substantive health sector in London; and London Workforce Development, providing opportunities for businesses and HEIs to work together.

Each of these new programmes represented a direct response to a major Government initiative: the London Challenge in the case of SHELL; NHS restructuring in the case of London Medicine; and the Lambert and Leitch reports in the case of London Workforce Development. Thus, using its unique understanding of the regional agenda, London Higher has been able to successfully meet its objective of responding to emerging priorities, by developing HE collaborations and, through these, promote

HE in London. At the same time, to better enable the organisation to meet such challenges new structures were also put in place. With full member approval for instance, London Higher became a registered charity and company limited by guarantee in April 2009.

As we draft this fifth Business Strategy, for 2011-2014, we find that although much will change in the HE landscape over the period – there will be no LDA, the Olympic Games will come and go and there will be a new HE bill introducing changes to the fee regime - there remains a vital role for London Higher. There are further changes in the NHS afoot, fees and the implications of a White Paper and the changing funding regime will place new pressures on HEIs. Also, as the UK struggles to emerge from the recession, the Government is likely to expect more from the sector and from all HE providers in preparing the nation for the post-recession economy.

### **Structure of this Business Strategy**

This Business Strategy sets out what London Higher will do to support its members and partners and how we expect to achieve these goals.

The Strategy is in three parts. Part One sets out our vision, mission and values for the coming period. Part Two outlines our business model and how we intended to fulfill our mission. Part Three details how we will measure our performance. Further details about the company structure can be found in Annex 1.

## 1. Vision, Mission and Values

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### **Context to the 2011-2014 Business Strategy**

London Higher has demonstrated over ten years the ability to build successful and cost-effective collaborations in response to a changing environment. These collaborations have both impressed London HE stakeholders and been a substantive benefit to our members.

The impact successful collaborations have had on HE stakeholders cannot be underestimated. From Central Government to HEFCE to the Mayor's Office, collaborations developed by London Higher are admired and respected. We promote them widely because we understand that effective and working collaborations speak louder than words. It is through London Higher that it is possible to demonstrate to regional, national and international stakeholders alike that the whole is greater than the sum of the individual parts. By demonstrating that London HEIs can work together in certain areas, whilst still competing in others, we also show that we have an HE group worth investing in and supporting; an HE group that will find its own unique solution to a challenge, rather than waiting for generic aid or a central 'push'.

Our members gain too. By working together HEIs reduce costs and risks. By collaborating members learn from and share with each other, and benefit from capacity they may not have independently.

There is no other body that can achieve these types of collaboration in London.

It is because we believe the success we have had, and because we see a clear and urgent need for HEIs to continue in our type of collaborations, that we propose in this Business Strategy to continue our remit of responding to emerging priorities and developing collaborations. Our only modification is to realign the organisation, in both ethos and structure, to ensure that we are even better at achieving these goals.

### **Vision**

Our vision defines the way we would like the London HE landscape to look in 2014. It is our aspiration for the future and gives the context for our work. For the period 2011-2014 our vision will be:

### ***Higher Education working together for excellence and efficiency***

This replaces the vision to establish London as the knowledge capital of the world and is designed to emphasise that our core function is to develop and maintain collaborations in HE.

The use of the words "excellence" and "efficiency" are intended to remind us and our stakeholders that collaboration is not an end in itself. For London Higher, successful collaboration must add value to the respective participants. The values we aspire to

most are excellence – to showcase our members and thereby promote the London HE group, and efficiency – to reduce cost or increase performance for participants.

## **Mission**

Our mission tells people how we intend to achieve our vision. It defines the fundamental purpose of London Higher and is intended to explain why we exist and what it is that we do. For the period 2011-2014 our mission will be:

***To extend the reach, influence and capacity of members and partners by supporting HEIs to work together***

This mission replaces “actively promote and act as an advocate for...”. We have changed the mission to reflect the reality of our promotional and advocacy work. In 2006 the London Higher Board took the decision to target resources on building collaborations rather than developing a bespoke lobbying capability. At the time it was felt that developing and running collaborations was unique to London Higher, whereas members could benefit from a variety of lobbying bodies. It is important to note that London Higher still retains the ability to promote and advocate, as we demonstrated in our response to the Browne Review. However, we believe that promoting active collaborations is more effective and beneficial to our members than merely lobbying.

There are a number of carefully chosen words in the new mission statement:

- ‘Reach’ is used to capture the concept that collaboration often takes HEIs into new or perhaps unfamiliar territory, reflecting the feature that London Higher collaborations tend to be in areas peripheral to HEIs’ core missions of teaching and research. Podium is a relevant example.
- ‘Influence’ is how we will action our continuing advocacy and promotional remit (see above). We intend to promote our active collaborations as examples of how London HEIs are meeting the challenges of the sector.
- By ‘capacity’ we mean to expand the ability of any one HEI to achieve excellence and efficiency by working with other HEIs. Here we capture the member benefits of collaboration, which include sharing risk and increasing performance. In a diverse HE sector like London some HEIs may not possess all, or enough, capacity to meet their challenges. By working together, through London Higher, HEIs can make use of the collective footprint of London HE.
- ‘Partners’ is a reference to the London Higher Board’s decision in December 2010 to allow non-members of the organisation to participate in our activities in return for a fee. The new partners do not share the same rights and responsibilities as our core member HEIs. However, in London the mix of ‘traditional’ and ‘alternate’ HE providers is greatest and also, in the changing HE landscape, collaborations will increasingly reach across existing divides. London HEIs must therefore be at the forefront of this new challenge.

- By using the phrase ‘facilitating collaboration’ we emphasise our primary role as a developer of collaborations. We have learned that successful collaborations must be for the benefit of the participants, not London Higher. Our role is to offer members and partners efficient and successful ways to develop collaborations.

## **Values**

London Higher values are the beliefs that are shared among our members and HE stakeholders. Values are important to articulate in our Business Strategy as it is through our shared values that we will develop our mission and vision. For the period 2011-2014 our value statement will be:

### ***Competition is a given, collaboration adds value***

We have not used a value statement in previous Business Strategies. We are clear that the one we have chosen reflects the way in which we have been operating throughout our existence. It is the mantra by which we make many of our business decisions and is an integral understanding within the organisation.

By making explicit our value statement we intend to demonstrate that we understand that HEIs in London are essentially in competition with one another. They compete for students, staff, resources and for prestige. As an intermediary organisation, London Higher must - and does - understand this fundamental aspect of HE.

We also know that HEIs in London are collaborative when the circumstances are right. We have six major pan-London collaborative programmes as examples. Our value statement, therefore, is intended to ensure that in developing collaborative opportunities we do not stray away from our mission of extending reach, influence and capacity; and that what we do is additional, augmentative and supportive to the underlying activities of our members which may still compete robustly in all other areas. Collaboration is not an end in itself, but must provide value to all partners.

## **Strapline**

Reflecting the changes to our vision, mission and values we also intend to update our strapline as it appears under the London Higher logo. Again this is not a shift in direction, but simply reflects a realignment of our pre-existing activities. For the period 2011-2014 our strapline will be:

### ***Working together for higher education***

This replaces the ‘promoting & advocating’ strapline and is intended merely to denote clearly what our primary purpose is. As we have noted above we will continue to promote and advocate London’s HE group, however we will do this through active examples, rather than abstract cases.

## 2. Business Model

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### Business Processes

In recognition of our realigned vision, mission and values we have also analysed our business processes to ensure that going forward London Higher is as efficient as possible.

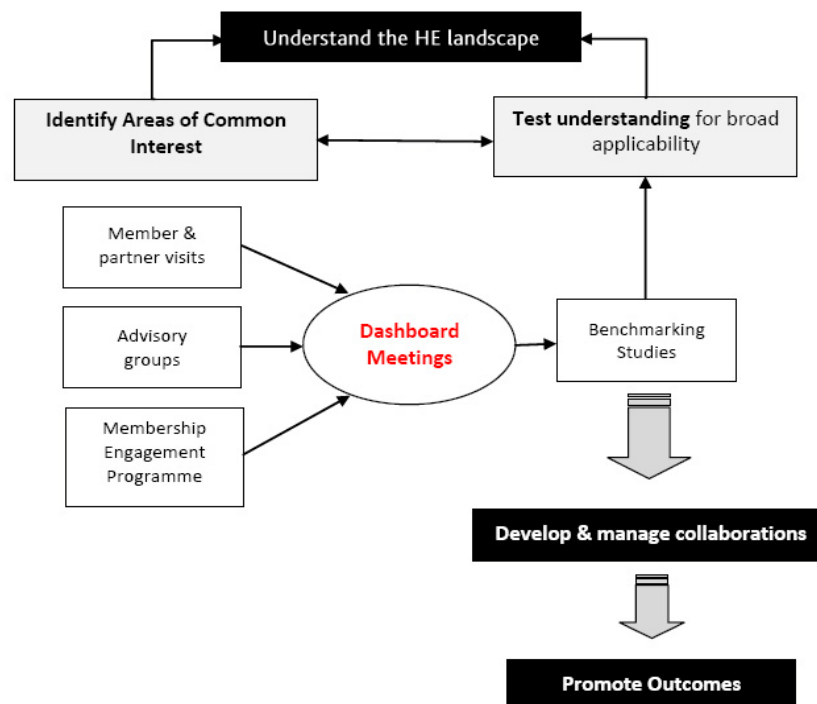
Taking our mission statement as a starting point, we have identified three main activities which London Higher must undertake to meet its goals:

- a) Understand the HE Landscape
- b) Develop and manage collaborations
- c) Promote outcomes

In this section we outline the business process involved in each core activity.

### Understand the HE Landscape

A prerequisite for building effective and timely collaborations is a thorough understanding of the HE landscape. Below is a graphic representation of the business processes involved in fulfilling this activity:



We divide this activity into two related tasks: i) identifying areas of common interest; and ii) testing understanding for broad applicability. The two tasks are linked by a management process.

*Identifying areas of common interest* involves learning about the concerns and pressures of our members. Through a variety of activities, including running our existing advisory groups and our membership engagement programme, we will build up a comprehensive picture of the HE landscape and how it affects our members. We will continue as we do currently to monitor and examine developments in and around the HE sector, including policy trends and shifts, to ensure we are well informed and able to identify potential opportunities as well as new challenges.

*'Dashboard' Meetings.* Information concerning the HE environment and the pressures our members are under will be reviewed regularly at senior management team (SMT) level. These meetings will identify issues of pressing concern for our members and identify potential collaborative solutions. At this stage budget and timescales will be set for new initiatives to be developed.

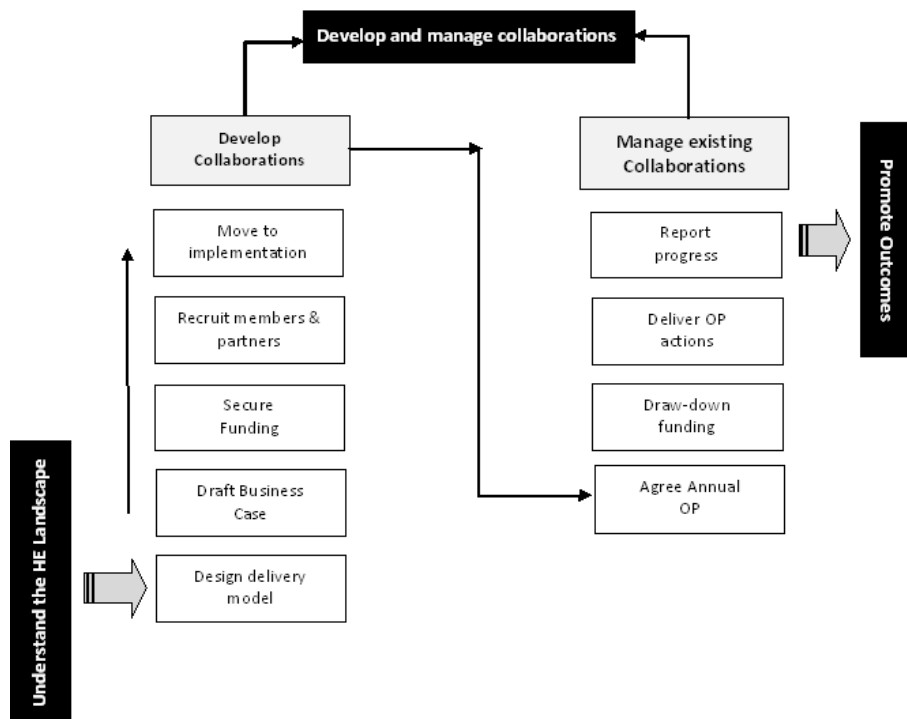
*Testing understanding for broad applicability.* Initiatives earmarked and resourced for further development will then be tested against a variety of standards to ensure that: a) there are broadly applicable to our member and partner group; and b) that they may offer potential benefits to participating members, in the form of reduced costs or risk or improved performance.

### **Develop and manage collaborations**

The activity London Higher will undertake has been divided into two related tasks: a) developing new collaborations; and b) managing existing collaborations:

*Developing new collaborations.* Only initiatives that have successfully passed through the 'understanding' cycle will progress to the 'development' stage. During this cycle new collaborations will be facilitated or built, each one passing through a variety of stages, from solution design to funding and recruiting partners.

*Manage new & existing collaborations.* All existing collaborations, and new collaborations that have been tested and developed, are overseen by a steering committee or advisory body made up of members and stakeholders. These bodies are accountable for the efficient and successful operation of collaborations and will oversee a variety of functions including drawing up Operational Plans for the initiative, monitoring budgets and reporting on performance and targets.



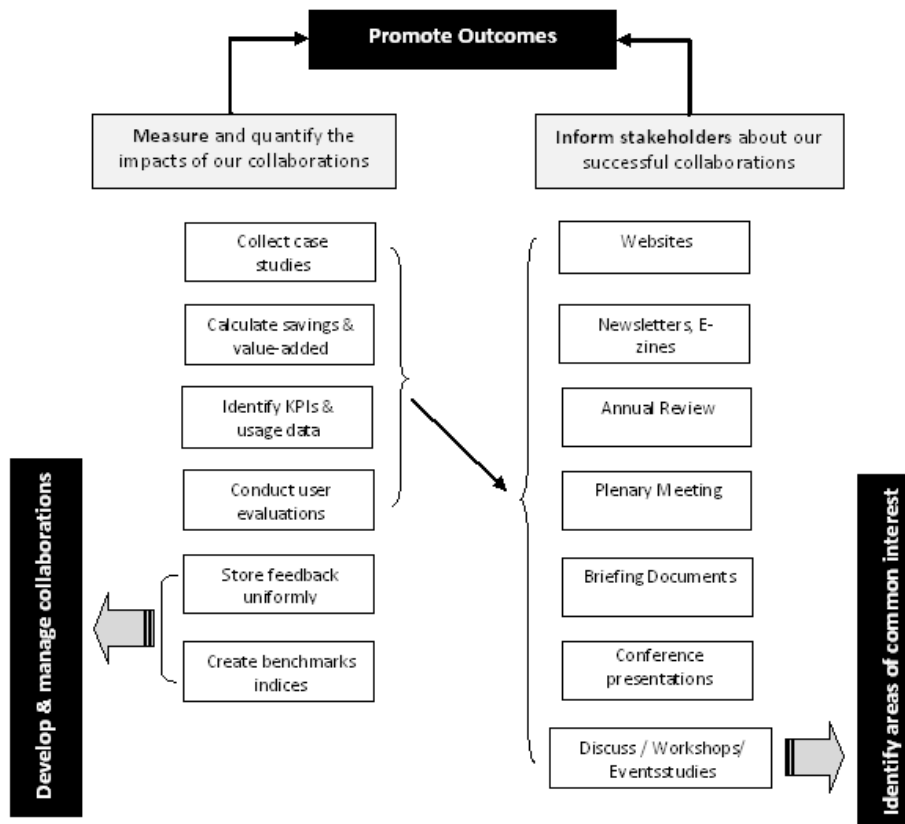
*Trading Subsidiary.* Some initiatives may fall outside our charitable remit and these will be managed through our trading subsidiary, Higher Education Connected.

### Promote Outcomes

In this third activity we aim to: a) measure the performance of our collaborations and: b) promote the outcomes to wider audiences:

*Measure & quantify impacts.* In order to provide the most efficient service to our members and partners it is essential that London Higher measures and quantifies the impacts of its collaborations. Initiatives that do not meet the expected outcomes will be shut down. The SMT and London Higher Board will regularly review the performance of all active collaborations.

*Inform Stakeholders.* However, those initiatives that are successful will be promoted to a wide variety of relevant stakeholders, including the member and partners, but also external audiences such as regional and national agencies. We will use a broad array of promotional tools - including briefing documents, online promotion and events - to demonstrate London HEIs successfully working together.



### Summary of Business Model

The business model set out here represents an evolution, not a revolution. Most of the core activities are those that London Higher has developed over the past ten years and in which the organisation possesses considerable technical and, amongst its experienced executive, personal skillsets.

What has changed is that we have focused our activities on building and maintaining collaborations explicitly. The review of our business processes has revealed areas where we can improve. We intended to target these areas to make us even more efficient at building and managing collaborations.

This does not mean that the organisation will move away from its established role as an advocate and promoter of higher education in London. Indeed, all the facets of this role remain fully intact in the new business model. Where we are competent to make the case for London HE we will continue to do so.

Our belief is that by actively demonstrating how our members and partners are successfully collaborating, we are advocating and promoting London HEIs effectively and, more importantly, positively.

### 3. Measuring Performance

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It is vital that London Higher is able to measure and demonstrate its performance and that this should be an ongoing activity embedded into the culture of the organisation.

We are therefore adopting for this business cycle the ‘Balanced Scorecard’ approach to measuring the performance of London Higher.

#### **The Balanced Scorecard**

The balanced scorecard is a business planning tool devised by Kaplan and Norton (1996). Since the 1990s a number of variants have evolved, including one designed for social enterprises similar to London Higher (Somers 2005, Marr 2010).

The function of the balanced scorecard is to provide managers with comprehensive and timely information on the performance of the organisation. In a social enterprise such as London Higher such measures will include information from our members and employees as well as financial indices.

The scorecard for social enterprises divides the activities of an organisation into four ‘perspectives’:

- activities relating to stakeholders (members, partners, HE agencies etc.);
- activities relating to internal business processes (management systems, impact measurement etc.);
- activities relating to finances (subscriptions, contributions, cost reduction etc.) and
- activities relating to resources (IT, staff, systems, infrastructure).

To achieve a balanced scorecard not only must an organisation have performance measures in place for each of the activities under these four perspectives, but the activities themselves must be distributed relatively evenly within the four perspectives. For example, an organisation that measures only its financial performance is at risk of overlooking important factors relating to its customers (stakeholders) which may negatively impact upon financial performance in the future and *vice versa*.

#### **The London Higher Balanced Scorecard**

The table below shows the various business processes identified in Part 2 grouped under the four balanced scorecard headings. For each activity we have indicated which aspect of the mission statement it seeks to address:

## The London Higher Balanced Scorecard

Stakeholders (members, partners, agencies, clients)	Internal Business Process (Processes, management, impact measurement, comms)
Member & partners visits (R)	Dashboard Meetings (R)
Advisory Groups (R)	Conduct Benchmarking studies (R)
Membership engagement programme (R)	Agree annual outputs (C)
Recruit members and partners (C)	Monitor & report progress (C)
Briefing documents (I)	Deliver OP actions (C)
Plenary Meeting (I)	Develop marketing campaign (C)
Newsletter & E-zine (I)	Identify KPIs & usage data (I)
Financial (contributions, fees, rebates, sales, cost reduction)	Resources (IT, Skills, networks) People, systems & infrastructure
Secure project funding (C)	Conduct user evaluations (I)
Draw down/collect funding (C)	Store feedback uniformly (I)
Draft business case (C)	Collect case studies (I)
Calculate savings & value-added (I)	Conference presentations (I)
Annual Review & Accounts (I)	Websites (I)

R = 'Reach'      C = 'Capacity'      I = 'Influence'

*Balance of activities.* We are satisfied that our activities across the organisation are balanced between the four perspectives of the scorecard. However, we acknowledge that activities and outcomes are different. We will, therefore, place emphasis going forward on achieving value and benefit for our members and partners.

*Performance Indicators.* Each of the activities outlined above has associated performance indicators attached to it. These have been agreed with the relevant project manager within London Higher and have been discussed by the London Higher SMT. Indicators we use include financial criteria but also usage statistics, public value statements, and traffic light systems.

*Monitoring.* The scorecard is reviewed at each meeting of the SMT (see Annex 1) and a report is given to the Board of Trustees each quarter and to the members in the Annual Review. In addition we also report to the Charities Commission, via an annual Trustees Report. Financial data is also filed with Companies House.

*Adjustments and Action.* It is our intention during this business cycle to adopt a more dynamic approach to acting on business performance. Where activities consistently under-perform against expectation they will be curtailed or withdrawn, providing they are not essential to the running of the organisation. We expect to continually make adjustments to our programmes, offerings and services in order to achieve the maximum return and benefit for our members, partners and stakeholders. The mechanisms for these decisions will be the SMT (through dashboard meetings) and ultimately the Board, where such approval is required.

*Evaluation of London Higher.* As in previous Business Strategies we intend to conduct an evaluation of the organisation and its value to members during the current business cycle.

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### **Further information**

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## 5. Annex 1: Further Details about London Higher

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*Corporate Status.* London Higher is a company limited by guarantee with charitable status. The company was set up on 6 March 2006 and registered as a charity on 26 June 2006. The charitable activities of the company were transferred from the University of London on 1 April 2009.

*Governing Document.* The company was established under *Memorandum and Articles of Association* dated 6 March 2006 which establish the objects and powers of the charitable company. In addition it operates under a *Members' Agreement* with each member HEI that sets out the nature of the relationship between the company and each member.

*Trustees.* Trustees are elected by the members, save a number that are co-opted with regard to specific interests. At present London Higher has two co-opted Trustees. In addition, London Higher Trustees invite observers from a limited number of key stakeholder organisations. At present London Higher has three observers.

*Trustee Induction & Training.* Member Trustees are familiar with the practical elements of the company as HEIs have charitable status as providers of education. Each new Trustee is given a copy of *The Essential Trustee* and all relevant Governance documents relating to the company. Trustees attend an annual Strategy Meeting that includes governance questions. Trustees are notified of training opportunities at quarterly meetings.

*Structure of the Executive.* The Executive is divided into six business divisions. These are listed below. Each division is: a) a separate cost centre; b) overseen by an Advisory Group of members; and c) has its own Head of Division who reports directly to the Chief Executive. In addition the Heads of Division, the Chief Executive and Office Manager meet as a Senior Management Team every two weeks.

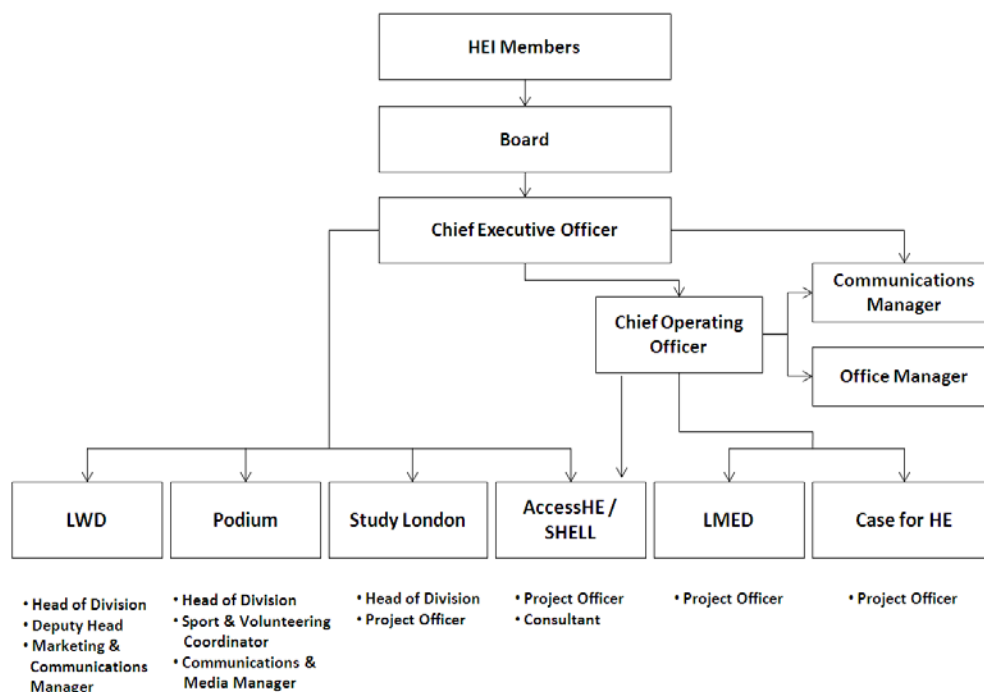
### **Business Divisions of London Higher**

London Higher currently operates six divisions:

- *Case for HE* which aims to create a robust evidence-base pertaining to, and in support of, HE in London;
- *Study London*, promoting London as an educational destination and the best city in which to be a student; during this business cycle the Study London team will be seconded to London & Partners, the Mayor's new promotional body, the programme, however, is expected to remain owned by London Higher;
- *Podium*, the Further and Higher Education co-ordination Unit for the 2012 Games; Podium will wind-down after 2012; at present, we do not anticipate a continuation of this workstream;
- *AccessHE / School-HE links in London (SHELL)*, developing a strategy for meaningful links between secondary schools and HEIs in London; this will be

replaced during this business cycle with AccessHE, a new initiative helping HEIs meet their OFFA Access Agreement requirements;

- *London Workforce Development*, our response to the higher-level skills agenda; and
- *London Medicine*, bringing together London’s medical schools and clinical academic health institutions.



*Decision Making Protocols.* The overall strategic direction of London Higher is set out in a three-year Business Plan that is drawn up by the Executive, approved by the Board of Trustees and agreed by the company members. Each year an Operational Plan is drawn up with the same approvals. The annual Operational Plan sets out the specific initiatives for the year together with expected costs. Heads of Division are responsible for delivering these initiatives on a day to day basis. The SMT monitors progress twice-monthly and each Quarter Trustees are given a written Progress Report. In addition any expenditure over £10,000, whether agreed in the Operational Plan or not, must be approved by the Board.

*Higher Education Institutions (HEIs).* Publically funded HEIs in London are our company members. In the *Members’ Agreement* they devolve to the London Higher Board of Trustees the power to make decisions on their behalf in the collective interests of the group, or parts thereof. This authority is safeguarded by Advisory Groups for each of our operational divisions which comprise senior representatives from the membership group.

*Related Parties.* The policy landscape for higher education is set by the Department for Business, Innovation and Skills, through the Minister for Higher Education, and implemented by the Higher Education Funding Council for England (HEFCE), a non-Departmental Government Body (NDBP). London Higher does not seek to influence

policy at the Government level; rather it aims to devise and implement policy that reflect the nature of the London group of HEIs. HEFCE has a London regional team and London Higher works closely with HEFCE on a number of initiatives. The HEFCE London Regional Consultant is an observer on the London Higher Broad of Trustees.

In addition, the Mayor of London and his delivery agencies have interests in higher education as it pertains to the capital. London Higher maintains links with both. A representative of the Mayor's Office is an observer on the London Higher Broad of Trustees.

London Higher convenes the *London HE Forum* which, in addition to representatives from HEFCE and the GLA, also includes: London First, representing the business community; Universities UK, representing national HE; and the City of London.

*Risk Management.* The Board of Trustees annual Strategy Meeting monitors and reviews risks to the organisation and, where appropriate, requires the Executive to take action in mitigation. London Higher is establishing a central Risk Register.

*Our People.* London Higher has achieved the Investors in People award and we continue to engage with the IIP process. Our policies concerning staff welfare are included in our Staff Handbook.