IMBUING THE ENTREPRENEURIAL SPIRIT

Based on Case Study in Indonesia

Prepared by: Yennah Mulia
Oman, March 17, 2012
INDONESIA ON THE MAP
The world’s 4th largest population (246 millions)
> 3,800 universities & colleges
50,000 students go abroad annually for their universities (Number grows 20% each year)
> 2.5 billion USD is invested in foreign countries for Higher Education
Indonesia Vision of 2025
Foreign Domestic Investment (FDI) is 30% over the budget
Most of the local big groups/conglomerates are entering the education industry
Private Education Sector need to survive based on their own capabilities and resources
MY BACKGROUND BEFORE JOINING EDUCATION INSTITUTION

- In the corporate world for the 12 years
- A lot of engagement in business setting and profitability
- Have background as an auditor
- Spent a lot of time in the financial, accounting and management issues
- “New kid on the block” in education industry
  → Mentioned as “capitalist”
CASE STUDY “A”

Education Institution in Jakarta, Indonesia
TRANSFORMATION FROM... (in 1997)
NOW 2012 ....
THE DREAM ....
STRATEGIC ROADMAP

BEFORE
TRANSFORMATION

TRANSFORMATION

SCHOOL OF CHOICE

BEFORE
TRANSFORMATION
BEFORE TRANSFORMATION (Before 1997)

- Very traditional mind set on education platform
- Simple vision
- Old culture
- Talking about “profit” in education platform is taboo
- Lack of entrepreneurial spirit → “employee typical mind set”
- Lack of exposure to industry and market
- Not a Top Of Mind/ School of Choice
- Not so ambitious / relatively low profile
- Lack of creative thinking (out of the box)
- Slow process
- Unwritten documents & rules
WE NEED A “CHANGE”
SHAPING THE INSTITUTION: MAKING GOOD MUSIC
WE DO HAVE.....

THE MUSIC SCORE:
Master Plan, Vision & Mission

THE CONDUCTOR:
Leadership with Direction

MUSICIAN IN UNION:
Shared Vision/Teamwork

APPLAUSE FROM
THE AUDIENCES:
Awarding and Celebrating with Our People

HONE THE MUSICIAN:
Develop Our People
BELIEVE IN....and TRUST IN....

- YOURSELF
- TEAM
- INSTITUTION
- CUSTOMER
- PRODUCT
LEARNED FROM ..... MISTAKES  SETBACKS
ONE OF THE KEYWORD

ENTREPRENEURSHIP SPIRIT ➔” THINK AND ACT AS AN ENTREPRENEUR NOT AS EMPLOYEE”
TRANSFORMATION PROCESS

- Setting and sharing the long term vision and mission → “education enterprise”
- Crafting the value system and institution culture
- Set up and develop the organization structure and team
- Prepare the strategic business plan for execution and implementation
- Set up the best standards, Performance Management System (“KPI” and budget) → invite the “experts”
- Understand and listen to the market needs & customer voice → “FGD” among the industries, parents, students
- Leverage any resources that we have → involved “best vendors/suppliers”
- Invite “everyone” in the institution to “think and act” as an entrepreneur not only as employee → willing to do “extra miles”
How to survive and sustain towards profitable institution
- No subsidy from the Government
- Fully self financing → “Foundation” structure not bankable
- Fixed pricing for 4 years while cost increasing every year
- Fierce competition in education platform
- Thread from newcomers/followers/big groups & conglomerates to enter education sector
- Global economic crisis
MITIGATING THE RISK/EXPOSURE – FINANCIAL ISSUE

- Strengthening our product portfolio, focus on "quality"
- If possible, make the numbers to meet the economic of scale
- Set up the Balance Score Card into “KPI”
  - Annual Budget and performance measurement
  - Business Leaders also responsible on the Financial figures as well as the academic excellence
- Embedded sound practices in Business setting into education platform
- Ready to do “cost effectiveness” but not to sacrifice the quality
- Leverage the existing resources (as well as the stakeholders)
- “Carrot and stick” concept
MITIGATING THE RISK/EXPOSURE – ORGANIZATION

- Set up the healthy organization structure towards the Vision & Mission
  - Centralized in “support function” (Finance & Accounting, Talent Management, Marketing, Information Technology, General Affair & Facilities) and Decentralized in “academic” → “shared resources” → School to University
  - Every Business Leaders responsible on one “Profit and Loss Statement”
  - Put the right man at the right place
  - Choose the right “Agent of Change”
  - Continuous improvement
THE TRADE OFF

SUCCESS & EXCELLENT RESULT

BLOOD

PAIN

SWEAT

TEARS
From 3,000 STUDENTS To 30,000 STUDENTS
From “Headache to Find the Financing” To “Headache to Manage the Fund”
From 6 Majors/Study Program To 26 Majors/Study Program
From “NOBODY” to “SOMEBODY”
From “NOWHERE” to “SOMEWHERE”
Enhance portfolio to capture the market needs
Bring to something “unique and different” in the market place
Think of new ideas as creative development as always become “first mover” & “trend setter” in the market
Continuously improve all the resources → lots of investment in development of academic excellence & infrastructure
Leverage the students, parents, alumni, faculty, staffs, industry and government bodies (all stakeholders)
Embrace the contribution to the economy and society
Explore new business opportunities: boarding school, non-degree programs, education operator management
COMPARISON BETWEEN

Case Study
“B”

Case Study
“A”
CASE STUDY “B”

- Already in the market place for 30 years
- Was No. 1 business school in Indonesia
- Strong high-profile alumni base (> 2,000) across Indonesia and its industry sectors
- Doesn’t have any entrepreneurship spirit
- Stay in the comfort zone
- No growth
- No. of active students are shrinking
- Suffering in financial issues
READY TO MOVE THE MOUNTAIN…AS ENTREPRENEUR IN EDUCATION

Transforming “B” Business School to provide Indonesia with High Quality International Education*)

*)Powered By accelerated value Pte.Ltd, Babson College and Singapore Management University(SMU)
ANOTHER CASE STUDY → TO SHOW THE EDUCATION MARKET IN GROWING IN INDONESIA
EXPLORE THE OPPORTUNITIES – SANTA LAURENSIA SCHOOL

- Very traditional and family K–12 Catholic School
- Established in 1994
- At Jakarta’s outskirts (outside the city/capital) → most of the school rejected the offer/invitation
- “Blessing from the nun” → to set up on their own as entrepreneur in education
- Build and develop it with “heart” and “passion”
- Currently have 2,000 students bodies and 5 hectare school with school full facilities
- Have the entrepreneurial spirit from the founder
ENTREPRENEURSHIP SPIRIT IN SANTA LAURENSIA SCHOOL

INDONESIA OPPORTUNITY & INDONESIA VISION 2025

ENTREPRENEURSHIP IN “ACT & THOUGHT”

EXPANDING THE K-12 SCHOOL, RESIDENTIAL CAMPUS FOR UNDERGRADUATE PROGRAM & VOCATIONAL SKILL BASED SCHOOL*)

*)Powered By accelerated value Pte.Ltd.
TAKE AWAY....

- *Timing* is critical → “moment of the truth”
- Strong *Vision & Mission*
- Strong *Leaders* who could articulate the strategic direction into action and dare to decide “unpopular decision”
- Strong *Team Work* → “People and People”
- *Passion, Perseverance, Trust & Integrity*
- *Think and Act as an entrepreneur*