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**Vertical
Visionaries**
➤ KPMG – Sizing up the sectors

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AN ENTERPRISE APPROACH TO EDUCATION

Increased student demand is creating a customer-orientated higher education marketplace – KPMG Technology Advisory lead, Richard Marrison, assesses the impact with **Holly Morgan**.

Traditionally, the lifespan of a student was three to four years, with the path to university graduation both short and simple.

But with over 1.4 million domestic and international students now enrolled in higher education across Australia, tertiary institutions are fighting to keep such prized assets.

“Education establishments are now asking – how can we keep a

customer for life?” KPMG head of technology advisory, Richard

Marrison, observed.

“They want to know how they can formulate a service that is personalised and tailored to that customer, which allows them to consume it through multiple channels.

“The education sector is commercialising and this is very much a corporate mentality.”

Such a corporate approach to education is now commonplace across the Australian sector, with technological tidal waves creating a commercial mindset at a national level.

While the art of turning a one-time buyer into a customer for life isn’t new, in education, momentum is building.

In predicting a “snowball effect” within the next three to five years, Marrison believes new digital delivery models will enable Australia’s largest tertiary institutions to capitalise on new business opportunities across the vertical.

“This concept of ‘service’ is government talk but it’s how the

industry is talking within education now also,” Marrison added. “It’s not about a citizen. It’s not about a student. It’s about a customer.

“We are seeing some of the large Australian universities spend hundreds of millions of dollars on technology change.

“But if you sit outside the sector, you would never think a

“An individual may have completed a maths undergraduate degree, but then they may move into technology and then they may move into marketing,” he explained.

“Who knows where people will move in the future – it all depends on what the workforce demands.

“The concept of education, particularly higher education, of being a place where you have to attract the

best and brightest at the age of 18, keep them for three or four

“The education sector is commercialising and this is very much a corporate mentality”

university would spend a hundred million dollars on a technology change program.”

In the business world, customer service is a prized commodity, one that directly impacts the bottom line.

The same can now be seen in education, as universities realise that if students stay with an institution longer, such loyalty builds a barrier to competition, meaning greater consumption and increased sales.

“Universities want a commercial relationship with an individual all the way through their working life and beyond because they are going to be in a constant state of retraining,” Marrison explained.

As digital transformation dictates Australian business priorities, Marrison believes that the requirements of the modern day workforce is changing alongside, creating a need for new skills and competencies.

years and then part company with them is changing dramatically.”

Customer expansion

In light of dramatic market change, KPMG has also altered its approach in accordance with industry shifts, deepening its education play during the past few years.

Historically, the consulting giant hasn’t been “active” within the education vertical, yet as new technologies infiltrate the workforce, Marrison acknowledged that the sector as a whole has “woken up” to the opportunity in keeping a “customer for life”.

In regional Australia, away from the hustle and bustle of city life, enrolment levels are decreasing slightly, down 1.6 per cent compared to a national rise of 2.7 per cent.

But as Marrison explained, the need to widen the customer base extends past Australian shores, and into the lucrative Asia Pacific region.

“Australian universities see a lot of their future customers as being based across the region,” he observed. “Strategies and financial success is now premised upon universities attracting a share of the Asian market.

“Why does someone living in Jakarta need to relocate to Australia for four years to complete their degree? It’s very expensive and cuts out a lot



“Universities want a commercial relationship with an individual all the way through their working life and beyond because they are going to be in a constant state of retraining”

“You need to actually have the war stories and the scars to bring that to life,” he said.

“You also require an understanding of the broader environment because education is no different to banking or to consumer goods in that you need to understand the political landscape, the regulatory landscape and the global landscape.”

of customers because they can’t service that customer base economically and at a price point that works for the student.

“This is now the language of education and it’s exactly the same as the world of corporates.

“How can you provide the service of education at a price point that works for a customer base that you currently can’t reach?”

Technologies

In keeping with a business-focused approach – and the need to attract a wider pool of customers – Marrison said institutions are deepening engagement with the channel, driven by the need to deploy enterprise-grade technologies.

Consequently, Australian universities are calling on KPMG to implement customer relationship management (CRM) tools that are fit for business, supported by strong digital marketing strategies.

“Universities now want leading edge student management systems to engage appropriately with their customers,” Marrison added.

“They need to use the data available to them to constantly maintain a relationship.

“During the old era, students never actually updated their details and universities never reached out to force this, but this is changing.

“Now universities want to form a relationship with LinkedIn for example, and are asking providers if they can use the functionality of a CRM application that scrapes LinkedIn to constantly refresh contact details within the alumni.”

Advisory

Alongside the technological demands placed on partners, Marrison said KPMG is now providing a broad array of services within the education space, focused on strategic planning and governance arrangements.

But to effectively sell to the sector, Marrison advised partners to draw on experience from advising across other verticals, emphasising the importance of delivering pragmatic industry know-how to end-users in education.

In Australia, and specific to the channel, Marrison said that in 2016, it’s “highly unrealistic” for partners to be operating across multiple verticals.

Rather, a technology advisor must be specialised to provide valuable advice in specific sectors.

“Educators want to talk to other educators and bankers want to talk to other bankers,” he said.

“This is because they see themselves first and foremost as an industry specialist. You are dealing with a very particular climate with the education sector.

“First and foremost you’ve got very distinct stakeholder groups and you’ve got the executive leadership who are a pretty commercial group of individuals.

“They are paid well, they have extensive experience and they are normally running another big business somewhere else – they are CEO material.”

In light of such CEO material running the education sector today, a new approach is now required, specifically from the partners selling into it. ☞