Harvard Business Professor Clayton Christensen has for years helped private enterprise understand how new technologies and innovations are transforming the marketplace.

Long established businesses considered mainstays can quickly become irrelevant or vanish all together, if they don't adapt, become more flexible and more nimble as technology and customers change.

American higher education is now facing the same set of transformational challenges. In an era of significantly reduced state and federal funding -- what many of us call the "new normal" -- higher education is confronting the need for disruptive innovation as well.

The questions and competitive challenges ahead for American universities are numerous and complex:

New competition with for-profit institutions that offer greater flexibility through on-line learning and convenient hours for classes … understandable sensitivity to growing tuition costs and access to a high-quality education … questions about the very purpose of education and whether we are preparing students for an increasingly interdependent, global economy.

How we respond will determine our future and, I would submit, the future of our country. More than ever, we need universities to prepare students to lead; to conduct ground-breaking research that extends and enhances life; and to engage with communities in service that sustains and improves quality of life.

How can we best respond to these challenges?

One path forward is focusing more intently and creatively on what we do best -- educating young men and women to lead lives of leadership, meaning and purpose -- and thinking about how we partner or collaborate on other services.

Consider housing for students.

We know when students live on our campus they do better in school. They are more likely to return for a second year and they are more likely to graduate because they become involved and engaged in campus life.

At the University of Kentucky, housing is a particularly critical challenge because the average age of our residence halls is nearly 50 years old and much of it not equipped with the modern amenities students want.

The traditional path forward -- building one residence hall a year and incurring more debt -- won't work. That model is broken.
We need to rapidly tear down old housing and build thousands more beds of new housing -- all equipped with high-tech learning spaces, classrooms and places that foster and inspire collaboration and community.

We need to transform housing, disrupting the traditional process and moving quickly to meet the needs of students in an affordable manner.

So, we're partnering with a private firm - Education Realty Trust, a publicly traded company based in Memphis, Tenn. -- to take over the management of our entire housing system. In doing so, they will pump some $500 million of private equity into the construction and expansion of some 9,000 beds all together on our campus over the next 5 to 7 years. It also will create, long term, more affordable and predictable rates (or rent) for students and families.

A private firm can simply build to scale and volume in a more affordable fashion. They also can do it more quickly than we can.

In the process, we would become the first university of our size in the country to turn over management of an entire housing system to a private company. Such a public-private partnership turns the traditional model on its head.

We get 21st century housing for 21st century students. And we free up debt capacity to re-invest in the transformation of our academic core -- more classroom and research space that will propel learning and discovery for our state and country.

Such collaboration is one way of finding new solutions to old, perplexing challenges.

And, if we're successful, it could be a new path forward in creating the kind of housing that stimulates learning and a sense of community -- an innovation that may be a model for higher education in a country that needs us to find solutions.

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