

INCREDIBLE ENCORE

Daniels Puts Purdue in Primetime

By Rebecca Patrick



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Taking care of university business: Mitch Daniels at commencement, in a discussion with Steve Forbes and at the SEL (Schweitzer Engineering Laboratories) Purdue groundbreaking in the Discovery Park District.



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With a litany of career accomplishments from the business world and government, Mitch Daniels could have ridden off into the sunset when his second term as Indiana governor ended in January 2013.

He had earned it, but that’s not how he’s wired. Instead, prior triumphs were simply a prelude to his next performance. When the opportunity arose to become the 12th president at Purdue University, it ultimately proved too tempting to pass up, Daniels says.

“The best answer I could give myself was I couldn’t think of a job – other than the one I was leaving – where if a person went and did a good job, they could make a more positive impact for the state I care about.”

Even by his standards, what Daniels has achieved after nearly six years at Purdue is remarkable. He has redefined what a modern institution of higher education can look like through incorporating a business mindset and taking calculated risks.

“He has enhanced the reputation of Purdue University so it is now positioned on a strata different than it was before he arrived,” declares Michael Berghoff, chair of the Purdue University Board of Trustees and president of Lenex Steel Corporation in Indianapolis.

“He’s largely responsible for Purdue being visible to a much larger group of individuals – some that don’t have any connection with Purdue. They now view Purdue University in a more favorable way than pre-Mitch.”

Hitting the ground running

“Green as grass” is how Daniels describes himself upon his arrival in West Lafayette. That lack of preconceived notions seemingly played to his advantage.

First up – an unprecedented tuition freeze.

“I didn’t know anything much except that the cost of college education was really beginning to pinch people. So, I





Daniels made a memorable entrance at Purdue, including a tuition freeze that has now continued for seven consecutive years.

said to folks here, ‘What if we took a one-year timeout?’ There had been 36 straight years of increases, like everywhere else. All I had in mind at the beginning was maybe a one-year gesture that we are listening,” he remembers.

“There was the usual bureaucratic response, ‘Oh my gosh, we will have to turn out the lights.’ I knew to not listen to that. The more interesting reaction was from our admissions and enrollment people. They said, believe it or not, ‘Gee, Mitch, if we do that – if we stand still while all our competitors are going up again – people will think we don’t have confidence in our product.’”

Daniels countered with the contention, “I think we are going to be made to do this if we don’t show a little initiative ourselves.”

Any reluctance over the move disappeared once the public verdict was in: It was a major competitive advantage.

“Within a year, certainly two years, the very same people who were nervous about this from an enrollment standpoint were coming to me and saying, ‘You think you can go another year?’ And I said, ‘Yes, I believe we can. Why?’ They said, ‘We’re drowning in applications because people are noticing that we are trying to keep this place affordable,’” he states.

“We are the only school we are aware of which will be less to attend in unadjusted nominal dollars in 2020 than it was in 2012. We think it’s the right thing to do. It’s also proven to be an effective thing to do because it’s become part of our reputation – and we hear right behind reputation excellence, this is a reason why students from all over the country and world want to come here.”

Daniels gets asked frequently how Purdue has been able to make it work. He assures it’s not done with mirrors; rather, it’s basic math.

“A big part of the answer has been growth in enrollment. We are bigger this fall than we’ve ever been. The top line cures a lot of ills and our top line has grown very smartly without price increases.”

Berghoff contends prioritizing value is the “grandest change

(Daniels has) helped create.

“People within higher education are now talking about providing value to students who, along with their families, had begun to question the value of a degree. By elevating the importance of affordability – and backing it up with an example of how to go about being affordable – by keeping our tuition flat for seven years, he has begun to change the traditional model of higher education.”

An innovative, business mind

Daniels has demonstrated and believes that a “university can and really should be more business-like in much of what it does.

“Places like (Purdue) are centers of innovation; they are doing great new research, adding to knowledge, exploring new ideas – that’s what the best of our universities do. But in terms of how they behave themselves, they are the most reactionary places I’ve seen. That’s ironic and it’s really not suited to the world that we are in,” he admits.

“It’s a very dangerous time I think for universities to say, ‘Look, we are going to do things just the way we always have.’ ... Especially for a school as innovative as Purdue, we should be at least as open to new ideas to how we run our own enterprise as we are helping the world to be through our breakthroughs and innovations.”

And he’s made good on that vow.

“We believe we’ve become entrepreneur U. We changed everything in this respect, got out of our own way, out of our faculty’s way, our students’ way. We are No. 3 in the country now in patents and new corporate starts. We are an economic engine for the state, not merely turning out top talent for the state’s economy but giving birth to new jobs, enterprises and opportunities ourselves.”

Meeting the growing demand for online education was another Daniels priority, and he felt Purdue was decidedly behind the curve.

“We were stumbling all over the place and not getting very far. I thought we were getting left in the starting blocks with something



Earlier this year, *The National Review* made its case for why Daniels is the most successful college president in the country. He enjoys many opportunities to spend time with some of his favorite people, Purdue students (middle photo: Purdue University Marketing and Media/Mark Simons).

that's going to be a central part of traditional higher education in the future and absolutely the next expansion, as we have to expand higher ed opportunities beyond 18- to 22-year-olds," he offers.

The question became whether to build internally off what was there or buy a ready-made option. Daniels chose the latter.

"While I'm coming to that conclusion, Don Graham, the former publisher of *The Washington Post* whose companies had owned Kaplan University had decided for their own reasons that they needed to exit the for-profit space. And it was just a very fortuitous confluence of interests," he explains.

The 2017 acquisition of Kaplan has certainly put a sizeable stake in the ground in what is now the newly branded Purdue Global.

"(We've) already signed up a ton of Hoosiers; we have a big discount for Hoosiers. And I believe pretty soon we will be able to put thousands more every year on the rolls of those who made it to the finish line of a degree," Daniels predicts.

"I see it as the next concentric ring in our land grant mission. One hundred fifty years ago, it was a tremendous social breakthrough to take higher ed from a tiny percentage of wealthy elites to the middle-class working people. Now that's not big enough anymore.

"We've got to reach other folks who life is not going to let them come back to live on a campus for another couple years and finish. They've got jobs; they've got kids; they've got complicated lives. They may be taking care of a parent. Those are the folks we are out to reach and serve and give a boost in life."

Debt buster

When you have a voice like Daniels – one that garners national attention – proposals can gain momentum quickly.

The Back a Boiler program is one example. Launched in the 2016-17 academic year, the initiative uses income share agreements to help increase college affordability for some students. The investing entity provides the money and the student agrees to pay a fixed percentage of their income, an amount they can afford, for X number of years.

Daniels floated the concept on a big stage – in testimony before Congress on possible innovation in higher education.

"I said if the federal government clarified its tax laws, I think there's a chance we can have a new alternative – not a replacement for student debt, but a new option that's better," he recalls.

Purdue immediately started hearing from interested parties and the media.



Purdue Board of Trustees Chairman Michael Berghoff on Daniels: “We knew Mitch could enhance our visibility within the state, within the nation and even internationally because of his exposure to local, national and international press. And he’s done a great job of that.”



“It turns out there was a latent business out there looking for somebody to try and pioneer this idea,” Daniels shares.

To date, the university has over 500 contracts signed with students and early performance indicators – aka the repayments – are going “even better than we thought,” he notes. A second fund is also in the works.

Daniels can’t help but mention he’s a little amused by all the publicity this program has received.

“We’ve tried a lot of new things around here and hope that we keep doing them. And

some that I think are really important are hard to get people’s attention for. ... (But) this one, even though it’s small, has gotten international attention – maybe out of proportion to its current size and importance,” he concedes.

“On the other hand ... if it’s really as good an idea as I think, it will take off and become a national phenomenon.

“We’re hearing from schools all over the place who are interested in doing something similar.”

Discovery venture

Another potential game changer is the Discovery Park District area just west of the campus. It’s a 50/50 partnership between Purdue and the city of West Lafayette.

“As I often say about enterprises our size, you have to take calculated risks and this is one,” Daniels acknowledges. The calculation: More built-in quality of life amenities will further aid Purdue in competing for the best students and talent in the world.

“The goal is in a few years to have much more vibrant retail, hospitality and residential options right up here around our campus and to trigger economic growth around our airport, which then will bring new people to the community, new dollars for those retail places, owners for the housing we intend – just build a whole lot more vibrant community,” he details.

The first industrial component of the park broke ground in September with Schweitzer Engineering Laboratories (from the West Coast). The 100,000-square-foot-facility for electric power research will bring with it up to 300 jobs. Rolls-Royce has also pledged to be part of the area.

Daniels stresses, “West Lafayette is already the second fastest growing economy in Indiana behind the Indy metro. ... If this works as I think it can, it will make Purdue a lot stronger in the future and make Greater Lafayette dramatically better and I hope really lift the economy of the whole state, which is something we are here to do.”

The right stuff

Daniels still embodies both the “My Man Mitch” persona from the campaign trail and “The Blade” nickname President George W. Bush gave him for his cost-cutting acumen while heading the Office of Management and Budget. He’s a good communicator with laser focus; a rare individual who is at once strategic and detail oriented – and can really work a room.

Berghoff, who also led the search committee for president, recalls how impressive Daniels was at the initial campus reception with 300 distinguished professors.

“It was pretty clear that he was going to be wildly effective finding a way to work with a broad spectrum of faculty.” Among them was a group of physics professors. What did Daniels do? He told a physics joke, of course.

“I don’t remember the joke but after he delivered the punch line, it was all roars,” Berghoff laughs. “The guy is so skilled in dealing with people and making them feel valued. I knew that group that we thought could be most critical would end up being supportive.”



Daniels: “There are twice as many Americans out there in their working years who did some college and didn’t finish as there are students on every campus of the traditional kind today. It’s a huge opportunity and it’s really a necessity for our state and our country to get more of those people to a higher skill level.” (*Purdue University/Mark Simons*).

Known for working long hours most every day of the week, Daniels has excelled at identifying initiatives that, if accomplished, make big differences for the university. But he scoffs at being given too much credit.

“Everywhere I’ve worked ... you learn if you hope to be effective in a big way it’s almost never things you do yourself; it’s whether you can get large numbers of other talented people headed in the same direction enthusiastically.

“You may see an objective or goal and set it, but you will never achieve it unless you assemble and motivate and support people doing their own best work to get you there.”

Berghoff says his ability to empower people is one of Daniels’ greatest strengths.

Indiana Governor Eric Holcomb, a longtime adviser in the Daniels administration, says he learned from his mentor “to have only the highest of expectations, set a vision and then realize it.

“For Mitch, good enough is not good enough. During his time as Governor, he challenged our state to aim higher and the results speak for themselves. Similarly, he’s taken all the good work at Purdue and grown

the university’s success and stature.”

Lasting impression

Daniels and Purdue have the option to continue their partnership beyond 2020, which seems like a safe bet.

“I love this place, I love what we are and have been. I love what we do. What we are really good at here at Purdue is in primetime now,” Daniels enthuses. “This world is driven by science and technology and engineering and mathematics, particularly when it’s well leavened with a good understanding, a grasp, of history, economics and literature and so forth.”

Indiana Chamber President Kevin Brinegar calls Daniels “a visionary leader who has the courage and drive to bring forth and implement systemic change. He has charted a new course that has differentiated Purdue from other public and private institutions across the country.

“In doing so, he has distinguished the university in affordability, student preparation, research, technology transfer, management and more.”

Beyond the bold initiatives Daniels has championed, Berghoff says there’s another

component that will be part of his legacy.

“He has recruited significant numbers of talented individuals to positions within the university: deans, executive staff, faculty – even students. He actively recruits students and makes phone calls.”

It’s all part of doing whatever it takes to elevate Purdue and the state.

“When I first ran for the last job ... I used to give the brain drain answer. First and foremost, we have to get this state growing, get this state in shape where the best talent will stick around. Well, it is – much more than before; we are now a net importer of college graduates. Not enough but there’s been a turnaround. My new thing is brain gain,” Daniels offers.

“My enthusiasm is now what can Purdue do – what can IU, what can all our schools do – what can government do, what can business do together to capture this amazing talent that comes here and kind of likes it when they get there. Let’s be the brain gain state; we’ve got a wonderful opportunity to do it. And that’s part of why I like the assignment that I have.”