

The End of Strategy as Usual: Universities and AI's Disruption

In our recent exploration of higher education's future, we posed a blunt question: Are universities simply deploying AI to build better widgets, blind to the fact that the age of widgets may already be over? Today we extend that inquiry: First, are institutions tinkering at the edges—tweaking curricula, refreshing digital plans, or bolting AI onto existing processes as if AI were just another "emerging technology"? Second, are the traditional ways we undertake and implement strategy still fit for purpose in a post-widget world?

“‘We’ll all be rooned,’ said Hanrahan” captures one extreme in higher education’s response to AI. At one pole lie pessimistic doomsday scenarios; at the other, outright dismissal of AI as nothing more than the latest hype cycle. In reality, AI does have the potential to rewrite the economics of higher education — transforming how learning is delivered and assessed, reshaping demand for qualifications, shifting research funding flows, and redrawing the global market for students and faculty.

Against this backdrop, the traditional five-year flagship strategy — with fixed priorities refreshed once per cycle — now feels less like a vision and more like a relic.

Through the early work of our newly formed, self-driven University Community of Practice, we analyzed the strategic documents of 28 universities across the UK, Canada, Australia, the US, and New Zealand. We examined:

- **Flagship strategy documents** (typically five-year plans)
- **Subsidiary documents** (AI strategies, digital transformation plans, academic program announcements)
- **Operational activities** (partnerships, governance structures, resource allocation)

To identify these institutions, we conducted web searches for universities that had released new strategies within the preceding 12 months. This produced a convenience sample rather than a statistically representative one, but it allows us to observe emerging patterns. With our motivation to uncover sector-wide trends rather than name, shame, or praise specific institutions, we will not discuss any university by name.

We applied what we call a “Strategy X-Ray” to each institution, examining three dimensions:

Structural Posture:

- *Adaptive* (rolling, short-cycle, responsive)
- *Mixed* (hybrid approaches)
- *Reactive* (fixed, slow-moving)

Strategic AI Framing:

- *Systemic* (AI as a whole-of-higher-education disruptor)
- *Superficial* (AI as a bullet point under "technology")
- *Absent* (no meaningful AI consideration)

Off-Document Activity:

- Evidence of substantive AI work (partnerships, projects, governance, resourcing) happening outside the flagship plan

Simply naming AI is not a sign of strategic maturity. In many plans, AI is parked alongside VR, blockchain, or cloud computing—framed as an enabler rather than a disruptor that could transform the sector.

Only 6 of the 28 institutions (21%) connected AI to broader existential questions about the future of higher education or society. Even then, the framing was more competitive than transformational: a call to adopt AI faster than rivals, with no acknowledgment that AI may fundamentally disrupt the sector's core value proposition.

While such risks may appear in institutional risk registers, not a single strategy acknowledged AI as a fundamental threat to the business model—even as those same universities sought to capitalize on AI through new products, partnerships, and subsidiary activities.

This represents AI framed as an arms race for prestige, revenue, and market position—not as a force that could destabilize the very foundations of credentialing, delivery, and research upon which all universities depend. This, in our view, remains widget thinking.

Most revealing was the pattern of extensive AI activity in sub-plans, operational strategies, or commercial units—while flagship strategies remained virtually silent. We observed this "strategic AI segregation" in 6 of the 28 institutions (21%).

This could suggest sophisticated institutional management rather than avoidance of difficult questions. After all, public-facing strategy documents increasingly serve as brand management exercises aimed at multiple stakeholder audiences and designed not to alarm communities or council members. They are often structured to be timeless and technology-neutral.

In this context, the absence of AI in public strategy may reflect institutional caution about communication rather than inaction. However, our concern

is that such an approach again constructs AI as a widget—a tactical issue rather than a strategic imperative—providing further evidence that the transformative implications have yet to be fully grasped.

Examining combinations from our Strategy X-Ray reveals distinct institutional postures:

Weakest Posture: Reactive + Superficial/Absent AI Framing Here, AI is treated as an IT or compliance issue, leaving institutions exposed to shifts that can outpace planning cycles. Only 4 institutions (14%) appeared to occupy this category.

Most Resilient Posture: Adaptive + Systemic This combines strategic agility with willingness to engage AI as a transformative force across higher education. Seven universities (25%) demonstrated this posture.

The Grey Middle: Mixed Approaches The remaining 17 institutions (68%) show varying degrees of agility and AI engagement but remain unable or unwilling to confront AI as a force that could reshape the very model they seek to defend.

Our Strategy X-Ray reveals not just how universities discuss AI, but how AI exposes the fragility of strategic planning itself — the cycles, documents, and playbooks through which institutions attempt to manage their futures.

AI is not the only driver here — political uncertainty, funding pressures, and broader questions about universities' social license all play their part. However, our focus on AI reveals a critical concern: are the traditional ways we think about strategy formulation fit-for-purpose.

AI is making the five-year plan obsolete — a static artifact in a world that now moves in quarters, not decades. The institutions that distinguish themselves in coming years will be those willing to abandon old playbooks, embrace rolling adaptive approaches to change, and reimagine what a university is for.

In the meantime, the question for every institution is simple: Are you buying time to transform—or quietly rehearsing for managed decline?

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