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In this article, we describe a set of experiences involving the University of Alaska, Anchorage (UAA). These experiences involve a larger effort to articulate the aims of the institution in ways that help it, the larger community, and the state better understand their emerging places in a changing world. These experiences have also caused us to focus greater portions of our university's mission on the development of Alaska's economy through international business and trade. Some of these experiences, as well as perhaps our model for assisting Alaska's private sector in the "globalization" process, may have implications for other U.S. universities.

A Tale of Two Centers

Thinking About Global Thinking in Alaska

The Road of Global Perspectives

Most state universities in the United States were created to address a growing nation's needs for the development of agriculture and the associated arts and sciences, and for the education of rural residents. The focused missions of the universities were clear: teaching, applied research, and the extension of knowledge to enhance the development of agriculture and related business and industry, and the life of rural residents. Continued population growth, further urbanization, and industrialization created increased needs for public school teachers, resulting in the creation of state teachers schools and colleges.

As populations boomed across urban and suburban America, many public urban or metropolitan universities were created or evolved from existing colleges or branch campuses of universities. These younger institutions, clearly based in teaching, struggled to identify and pursue a broader mission along the lines of the longer established state universities. Metropolitan universities thus often defined their mission as teaching, research and scholarship, and public service.

The breadth of this mission was understandable in the face of rapidly changing times. Moreover, the struggle to define better and to implement the mission of metropolitan universities continues today. Not surprisingly, these universities are both lauded for their attempts to serve many constituencies and sharply criticized for trying to be all things to all people.

Nor is it surprising that following the end of the cold war, metropolitan universities have been called

upon to play a role in the international or global arena. "Globalization" covers an astonishing range of topics and activities including languages, culture, histories, social and economic systems, business practices, transportation, communication, information systems, and much more. As used in this article, globalization or internationalization describes a complex transformation process through which individuals and institutions come to see their lives and missions, respectively, in a larger, more global context. Incidentally, the term globalization in Japanese is *chikyuka* or *kokusaika suru*. The Japanese also have trouble agreeing about what it means. Nonetheless, it now appears to drive a vigorous policy debate over how Japanese education, business, and even politics should be reformed.

In the United States, globalization may involve creating new services, rethinking challenges and opportunities, extending the boundaries of emerging trend analyses, redirecting resources, revising and interpreting mission statements in new ways, developing new strategic alliances, recruiting new faculty that thrive on interdisciplinary collaboration, internationalizing the curriculum, and more.

In this article, we describe a set of experiences involving the University of Alaska, Anchorage (UAA). These experiences involve a larger effort to articulate the aims of the institution, which helps the institution, the larger community, and the state better understand their emerging places in a changing world. And, specifically, the experiences focus greater portions of our university's mission on the development of Alaska's economy through international business and trade.

Alaska is replete with natural resources, including minerals, timber and related fiber, water, fisheries, wildlife, fossil energy, scenic vistas, ecological diversity, outdoor recreation, and a strategic location for international communications, transportation, and trade. These resources, combined with the state's cultural diversity, provide the basis for an attractive, healthy environment. The state should increasingly attract industries to add value to natural resource-based products and certain nonresource-based industries (e.g., software development for information systems).

The greatest sources of wealth for Alaska are the vast fields of oil, natural gas, and coal. To date, the biggest source of income has flowed from the gigantic oil field of the North Slope's coastal plain. Alaska's oil boom began in the mid-1970s with the construction of the Trans Alaska Pipeline. Since then, millions of barrels of oil have flowed the eight hundred miles from Prudhoe to the Port of Valdez for shipment to the west and gulf coasts of the United States. Concurrently, billions of dollars flowed into the state's coffers financing numerous construction and service programs that have benefited the state of Alaska.

As part of the state enterprise, the University of Alaska System did well during this period, adding community college campuses, new buildings, classes, and faculty. Expansion continued until about 1985-86, when a world-wide economic slowdown and discord among oil producers in the Middle East sent oil prices crashing from twenty-eight dollars a barrel to nine dollars. State revenues and spending, based 85 percent on oil royalties, plummeted. As losses piled up, the state spun into a deep recession from which it is still emerging.

In the face of financial disaster, the University of Alaska began a massive restructuring by merging all but one of eleven community colleges with its three universities, a move unprecedented in the nation. Developmental education, vocational and technical education, expanded continuing education, and instruction for the associate of arts degree were all encompassed by the restructured universities. Curricular, operational, and managerial challenges abounded, the merging of nonunionized and unionized faculty being the greatest among many.

Grave doubts about the very viability of higher education in Alaska were expressed everywhere. Terms such as "managed decline" were repeated like mantras in meetings throughout the system. To make matters worse, economists at UAA published a series of reports predicting an even more ominous trend. The huge oil field at Prudhoe was running down. Called the "Fiscal Gap," the reports predicted that by early next century, revenues to the state's budget would shrivel by an almost incomprehensible two billion dollars annually out of a total budget of three billion dollars. Even with new taxes and other "revenue enhancements," budget cuts of a least one billion dollars might be required to avoid deficit spending.

The university's predicament was clearly precarious. While administration and staff had been successfully reduced, faculty salaries became less competitive and tuition increases became an annual event in a desperate attempt to avoid a further acceleration down an increasingly slippery slope. Talk of the viability of higher education in Alaska became commonplace. Could the state afford its university system?

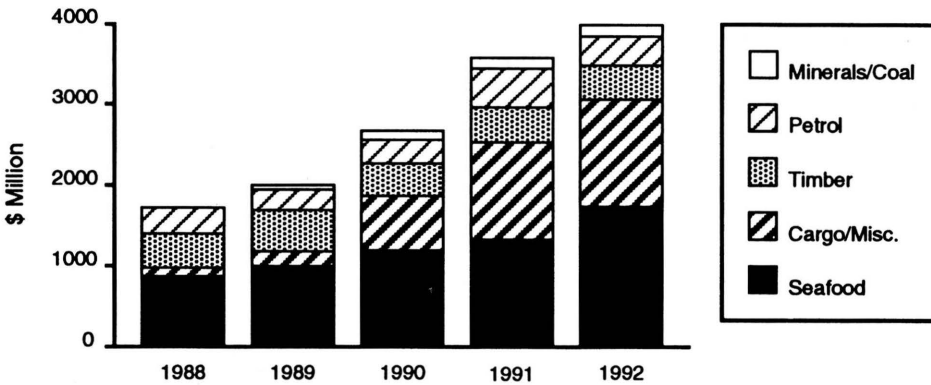
For some in the university and in the larger community, the fiscal gap, though painfully real, seemed to focus attention almost exclusively on state revenues and expenditures. Too little attention was paid to the effects of state spending on private enterprise, or on the health of that enterprise, and how it could be stimulated to produce more. Little attention was paid to how human capital contributes to economic development, how it molds competitive advantage.

Some brighter spots suggest evidence of vibrant sectors of the economy with room to grow. Alaska's exports—mostly fish, timber, and minerals—grew in 1992. The growth of air cargo, from and through Anchorage on its way to Asia and Europe, creating hundreds of new jobs and prospects for many more, has added another huge and growing chunk to the export statistics.

However impressive, these statistics hide the fact that much of what goes out does so in unprocessed or minimally processed form. Investments in value-added industries are still rare. James Michener's sprawling novel *Alaska* describes a state where in the future giant ships from abroad fill their cavernous bellies with unprocessed commodities, reducing the place to the status of a virtual colony. This scenario is hardly compatible with the vision of Alaska as a vital state of the Union, anchoring its northwestern frontier.

In sum, the number of Alaskans involved in facilitating or adding value to exports is small. Alaska, though a maritime state sitting astride important present and perhaps future trade routes, is not yet a trading state, at least not in the sense of a community that possesses a trading

Figure 1: Alaska's Exports



mentality where the population is aware of its geographic place in the world, or of its competitive advantages and disadvantages. Nor is it a state where a broad range of citizens understand the languages and cultures of its geographic neighbors; or care much about markets and marketing, about new products, about innovations in science and technology that add value to the things produced by its land and water, and about the experience of its people.

Shoveling raw materials to Europe and Asia still passes as business as usual. But with markets in flux and new economic blocs taking shape in Alaska's back yard, the back door of the former Soviet Union is looming as both a competitor in some areas and a customer in others, Alaska cannot afford to remain entrenched in the old, simple extractive development paradigm. Old myths of Alaskans as lonely, independent spirits on the last frontier are being replaced, at least partly, by new myths. One new myth casts Alaskans as diplomats and traders in their larger region; as possessors of unique capabilities; as learners with a desire to acquire new skills; and as stewards of land and resources that have yet to yield their full value.

A Tale of Two Centers

Lost in the hubris of the oil boom glory days was the creation at UAA of a center for international business. Entrepreneurial faculty and administrators at UAA, led by Dr. John Choon Kim, had argued in vain that heavy reliance on nonrenewable natural resources would sooner or later bring the state and its 525,000 people to grief. The economy requires diversification. The center's start-up funding was provided, as an investment, by the University of Alaska System.

Thanks to Governor Steve Cowper and some key legislators, the idea of the center gained popularity and funds were provided in 1987 in the form of an endowment. The endowment, the only one of its kind in the university system to date, was heavily promoted in the belief that

traditional ways of funding new programs through budget line items would leave the center vulnerable to raids by legislators looking for money to fund pet projects. Thus, with half the operating funds coming from endowment earnings and half from the general fund, the Alaska Center for International Business (ACIB) was fully born.

In addition to presenting noncredit workshops on everything from creativity and innovation to how to tap venture capital markets, the mission of the center involves conducting applied research to identify market opportunities for Alaska's major resource products. The research also involves scanning overseas markets for opportunities to add value to minimally processed commodities like salmon and Slika spruce. This

research involves making precise and detailed comparative cost analyses and feeding this information to local industry, which in some sectors has been surprisingly resilient to seeing beyond its own taken-for-granted paradigms. For example, a recent study of new markets for Alaska salmon produced information on the competitive position of an Alaskan product that seemed to take the industry by surprise. It appears that while the industry is very adept at moving large volumes of raw product around

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the world, there is a lack of sensitivity about consumer trends and preferences in the markets to which the product flows.

Research results are also fed down the production chain to Alaska's fishermen, who as much as anyone embody the Alaska myth of the rugged individual of the pioneer ethos. A limited entry scheme designed to ration a scarce resource has, for the most part, locked into the calling of a cast of characters who range from sophisticates with million dollar computerized vessels to seasonal dabblers in skills with pitchforks. The center's research and outreach efforts have focused on providing information about customers and competitors in the global market. Since salmon are now raised around the world in pens, and such things as cost per pound and biologically engineered flesh color have become critical competitive factors, Alaska fishermen have begun to swim against some very powerful tides.

The university and its international business center have begun to contribute to the Alaska industry's competitive position. But first the university had to organize its own internal response to the problems of fisheries management and enmity between harvesters and processors, fishermen and foreign-owned processors, processors and nonprofit salmon hatcheries, seafood technologist and marketers. Getting the university's act together was complicated by the familiar problems associated with highly compartmentalized research functions, over specialization of faculty, and long-standing tensions between different campuses, indeed between different schools possessing the needed expertise on the same campus. In some ways the culture of the university resembled the culture of the fishing industry, neither seemingly prepared to go toe-to-toe with Chileans, Norwegians, Canadians, Scots, even Faroe Islanders—all of whom are embroiled in a fierce struggle to get their salmon into supermarkets around the world.

While much remains to be done, the university has contributed to the debate over what should be done and how things should be organized by defining it in terms of global competitiveness on which the very survival of the industry may be based. Another contribution has been to reconceptualize the structure of the industry as a complex system comprised of many parts, not the least of which are the competitors and, perhaps most importantly, the consumers. Thus participants in the system begin to see complex problems as evidence of systemic breakdown—bundles of problems with no single cause. Thinking about problems in this way is what Peter Senge calls the Fifth Discipline, a language that begins restructuring how people think. For Senge, the change involves changing mental models or assumptions about how the world works, building shared vision, pursuing personal mastery (which involves living life from a creative rather than a reactive viewpoint), and creating systems thinking. This restructuring of thinking is at the heart of the globalization process.

The ACIB may have been one of the first such entities associated with a metropolitan university. Others are now in operation thanks to a U.S. Department of Education program that funds international business centers. Federal funds help establish the centers by covering some of the costs for the first three years of operation. Consortia of universities in the same area are encouraged to apply. A modest number of such centers have been created. All centers appear to operate in different ways according to the needs of their region, there are some common elements, like the offering of noncredit seminars for would-be explorers. It appears that no formal evaluation of these centers has yet been conducted, though that would certainly be most useful.

Small business development centers, which are often associated with metropolitan universities, also provide export counseling and assistance to local businesses. While contributing to the globalization climate in the communities they serve, few of these centers have the means to carry out sophisticated international market research for their clients, or to spearhead larger globalization efforts such as the creation of the deep and broad networks needed to advance larger-scale business and economic development initiatives.

World Trade Center Alaska

Networks and systems are useful ways to think about another center involved in the university's and Alaska's globalization efforts—the World Trade Center Alaska (WTCA). World Trade Centers are part of an international nonprofit organization, started in the 1970s in response to a perceived need for a nongovernment effort to improve trade opportunities, especially for small- and medium-sized businesses. There are now more than 250 World Trade Centers located on all continents and in virtually every major population center. One of the smallest in terms of populations served—and certainly the farthest north—is the WTCA. It was also the first to be operated by a university. Now there are several more, including one at the University of Rhode Island and at a university in St. Petersburg, Russia.

Somewhat like McDonald's hamburgers, the World Trade Center Association sells franchises to individuals in communities deemed worthy and prepared to uphold the standards of the association. A group of Alaskans, a number of whom were connected with Alaska Pacific University, a private institution in Anchorage, applied for and received an affiliate membership in the association. The private university loaned the management group thirty thousand dollars for its first year of operation in 1987.

Ambitious plans were hatched to secure permanent funding from the city of Anchorage, the state, private businesses, and other sources. None of the plans materialized, and by the end of the first year the center was having trouble paying its bills. At the same time, UAA received funds to create the ACIB, and the World Trade Center operating partners asked the university to assume management. The University of Alaska Board of Regents agreed and representatives of UAA approached the World Trade Center Association in New York with a request to become a full-fledged franchise member. The franchise was awarded almost one year after the World Trade Center Alaska first opened its doors.

The first year of operation under ACIB and UAA was a struggle. Many memberships under the old management were given away, and service was largely unfocused. Local businesses meanwhile still largely operated with a mindset that their futures were tied to serving the needs of the oil industry. These attitudes, combined with the other economic reality that much of Alaska's employment is tied to state and federal government spending, left a rather small entrepreneurial base on which to build a flourishing world trade center. Another problem was the university's complete lack of experience operating a membership organization, the aim of which is to promote international trade by linking buyers and sellers all over the globe.

Off-campus space and a professional staff do not come cheap. Trade offs were necessary, including the decision not to add another faculty member to the ACIB. Since the ACIB mission calls for the development of international business expertise in a state that has everything from representative offices of major multinationals to native reindeer herders interested in selling their products to Asian buyers, the investment in direct support services for potential clients seemed reasonable. The World Trade Center Alaska was to be the primary vehicle for delivering these services.

By the second year, things were looking up. Considerable effort went to hiring professional staff with a business- and service-oriented perspective. The staff studied other U.S. World Trade Centers for clues on how to build membership, increase revenues, and improve service. Meanwhile, as Alaska exports continued to climb and favorable interest rates contributed to a nationwide export boom, interest in doing business overseas contributed to a four-fold increase in paid memberships. In addition, new membership categories were created that enticed healthier companies in Alaska to contribute more. Corporate memberships at five thousand dollars per year helped the bottom line and provided funds to hire a full-time membership coordinator. Revenues continued to climb, and even though the university subsidy still hovered around 50 percent

of total costs, this was far better than the almost 100 percent subsidy of just one year before. There was hope and support for more trade development services. However, operating at a profit was going to be difficult. Trade centers across the country are not uniformly successful. Many struggle to define their purpose. A number of World Trade Centers in California are barely viable. Another in the midwest went bankrupt two years ago, and twenty-three staff members were terminated. It appears that the management had developed an unhealthy dependence on state funds; and, when the political climate changed, the support vanished. Invitations to bid on the franchise have been issued, and a sale is expected.

Reasons for failure and poor performance are complex, but one theme emerged from the WTCA's analysis of other U.S. World Trade Centers. The theme, a familiar one to students of business management, was listen to your customer and focus your efforts on the right product mix. The WTCA staff went to businesses in the community to seek advice. Weekly breakfasts are still held to question members and prospective members on issues, problems, needs, and how the WTCA can provide better service.

What emerged from these efforts was a complex picture of businesses that needed considerable handholding before they felt confident enough to do business internationally. Many members required a range of assistance, from drafting a business letter to hints about business rituals such as gift giving, counseling on business and strategic planning, and assistance finding other local businesses from which they could buy cheaper components or develop new products and services.

As the needs grew more complex, WTCA staff began to call more frequently on ACIB faculty and researchers who possessed in-depth knowledge of seafood, timber, minerals, and specific overseas markets such as Taiwan, Japan, South Korea, and Russia. Management also soon realized the desirability of pulling the various economic development and business support agencies together under or at least near the same roof. Federal government and private studies, including a recent one by MIT, have complained about lack of coordination among the different services. Though government export promotion efforts get some of the credit for the nation's strong export performance recently, it is argued that the results would be even better if there were more of what Senge might call a systemic approach to viewing and organizing these support services.

The WTCA initiated co-location with the U.S. Department of Commerce International Trade Administration field office, the Anchorage School District's International Trade program for high school students, and the Alaska Inventors Association, a nonprofit that provides moral and technical support by bringing inventors out of their garages and into the world of joint ventures and patent attorneys. The Governor's Office of International Trade (with its branches in Seoul, Tokyo, and Taipei), although not located in the same physical location, is only an electronic

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mail connection and two miles away. A recent breakfast at the WTCA attracted more than fifty government professionals involved in promoting business and exports. It was the first time representatives of all these agencies, most of which have similar or complementary missions, had been in the same room together at one time.

Since the collection of agencies started operating more like a system, with people that actually exchange information with each other, there has been a noticeable improvement in the efficiency with which clients get referred from one agency to another. A collaborative case management scheme is in the works. While no figures exist to measure how improvements in coordination and efficiency have affected bottom lines and export volume, reports from business people suggest that from their perspective services have never worked better. Valuable hours have been saved avoiding the "interagency bounce," and the quality of information has substantially improved.

A plan is in place now for a private developer to build a new office complex in the Anchorage port area. The WTCA will become the rent-free anchor tenant for the new World Trade Center building. The additional office space and prime location will attract businesses with global operations. The "stop shop" concept, already underway at the present location, will be further enhanced at the new address.

Alaska is not the only state to achieve these kinds of organizational efficiencies and improvements. Oregon, for example, has a highly integrated system involving its World Trade Center, the international trade program at Portland State University, and other government agencies. Oregon's robust export performance suggests that the role of these integrated agencies, including higher education, in achieving this performance may be more than coincidental.

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UAA has played an important role in bringing agencies together, creating a vision, and focusing services. In return, it is now increasingly seen by the business community as a key player in the state's economic development, especially that aspect dealing with an increased export push and attracting foreign investment. The opening of Russia has been a boon to the university partly due to the preservation of links, even during the Cold War, between university faculty and their Russian counterparts. By focusing on street level services, using more sophisticated forms of market research and information analysis, and by parlaying personal contacts into opportunities for local businesses and government leaders, the university is developing a reputation as a repository of information and assistance that is highly useful to the business community.

Moreover, there is a corresponding effort to share what is learned on the front lines with primary and secondary educators. New curricula, teacher institutes, and involvement with the people and processes that set goals for vocational education help ensure that a global perspective as seen from the experience of Alaskans is shared as widely as possible.

How is the success of these efforts measured? It would be best to have an accurate dollar figure representing all the economic development

created by the WTCA, but precise measurement is difficult to impossible. Companies are somewhat secretive about their activities and most of the WTCA effort is developmental and thus cumulative. This suggests that the value of involving universities in the operation of these global centers is their ability to take a longer-term perspective. Development of human resources for economic competitiveness is necessarily both a short- and long-term proposition.

Meeting the Challenge

Managing and staffing these organizations will remain a daunting challenge. The need to respond quickly to demand and emerging needs requires a nimble responsiveness that places great demands on the organization. The need for a close working relationship with business can, at times, exacerbate the differences between the mission of a university and the goals of business. Nonetheless, the resulting communication can inform and enrich all participants. While the dynamics of creating a competitive business climate are complex, the dialogue created and nurtured by innovative and entrepreneurial organizations helps ensure that metropolitan universities can contribute to the formulation of local as well as state and national public policy. In addition, these universities will have the opportunity to learn from businesses whose perspective is on the street level in Tokyo, Taipei, Seoul, Vladivostok, and elsewhere.

All these issues and problems put considerable pressure on the leadership of the institution to articulate not only a clear vision, but to provide the incentives needed to encourage the development of new perspectives and practices, both inside the university and beyond. Thus, while globalization creates a new context for universities in the United States, the structure in which new programs are created is as old as the tripartite mission—instruction, research, and extension—of the oldest state universities. Globalization efforts, especially those in the vital realm of business and economic development, help create the conditions for what Wade J. Gilley calls the “interactive university.”

For Alaska, the turning point in its story was the realization that long-held comfortable assumptions about its wealth of natural resources were, by themselves, no longer adequate to ensure a desirable degree of future prosperity. Great geopolitical and economic changes in its own backyard and beyond have delayed or eliminated some opportunities while creating others. This has produced the beginning of Alaskans recognizing themselves as players in the international arena. It has begun to produce a recognition of Alaska’s position and potential in a global economy—a recognition that inevitably leads to the necessity to struggle with undefined interdisciplinary and international systems that underlie a global economy.

In this article we have illustrated the role of one university, a role which is based on the desire and the ability to look toward new concepts and actions. We are confident that the structure of many metropolitan universities equips them for such a role, providing they recognize the need and are flexible enough to engage the essential constituencies.

In Alaska, we are dedicated to this course as the state and its university search to define their places in the world of tomorrow. We

sail ahead with uncertainty as our compass and with ambiguity our too frequent guide, but with confidence that our Tale of Two Centers has just begun.

Suggested Readings

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