Office of the Chancellor
Pennsylvania's State System of Higher Education
Procedures/Standard Number 2019-42

Principles and Guidelines for System-level Pilot Initiatives

Approved by: _____ **Date:** ___2-14-2020_____

Revised:

History: The State System has at times used pilot initiatives to test concepts at a smaller scale over shorter periods of time before making a determination regarding broader, more permanent implementation. This Procedure/Standard provides principles and guidelines for how pilot initiatives are managed when undertaken on behalf of the Board of Governors, the Office of the Chancellor, or the State System as a whole. (This does not apply to university-level pilot initiatives, though the process may be used by the universities for local pilots if they choose.)

Related Policies, Procedures, or Standards: N/A

Key words/Categories: Pilot, Administration, Academic Affairs, Student Success

I. **Purpose of a pilot initiative**
   A pilot initiative—often called a feasibility study or experimental trial—is a small-scale, short-term experiment used to test hypotheses about the costs, benefits, scaling options, and potential sustainability of specified innovations. They are used to:
   - Manage risk – implement innovation in a limited capacity so impact of failure is minimal
   - Evaluate potential – assess costs, benefits, scalability, implementation options, and measurement framework for innovation
   - Promote change – help build capability with innovation, collaboration, and risk-taking generally across an institution as appropriate to its continuous improvement
   - Scaffold transformation – create new ways to rapidly trial new programs, processes, and platforms, scaling those that are impactful and exiting those that are not

   Pilot initiatives provide an opportunity for all parties involved to work together to evaluate how, whether, and under what circumstances the innovation—if scaled—may be accommodated.

II. **Characteristics of a System-level Pilot Initiative**
   A. Aligns to goals and priorities as approved by the Board and/or Chancellor
   B. Has an operational definition of success and a results framework that evaluates impacts/outcomes with measures that ladder into Board-approved metrics and includes scaling strategies

C. May contribute to learning or operational enhancements from which all 14 institutions—or some subset thereof—can benefit
D. Has a letter of understanding among all parties participating in the pilot; when appropriate, has a letter of understanding/side letter between management and any bargaining unit(s) involved

III. Phases of a System-level Pilot Initiative
To ensure consistency in approach and to enable trade-off decisions about where to invest scarce resources, pilots will use a common measurement framework and common templates to describe work at their various stages

A. Phase 1. "Define It" — Determine whether to invest in the pilot

Expected outcome: Business Case that includes an implementation plan, measurement framework, governance structure, and partner agreements that address:
- Scope or scale of the problem being addressed
- Operational definition of success and how it will be measured
- Potential for impact and scale
- Obstacles and how to overcome them
- Risks and how they will be mitigated
- Evidence, research, or assumptions underpinning hypothesis
- Potential stakeholder implications and how to resolve/address, including collective bargaining issues as applicable

B. Phase 2. "Prove It" — Test hypotheses about cost, benefits, scale-ability

Expected outcome: Implementing business case that includes documentation of:
- Refined business case with scaling strategy and budget
- Modelled impacts expected from scaling, including impacts on selected Board-approved student and university success measures as applicable
- Leading and lagging measures for assessing progress towards impact
- Key interdependencies, contingencies, and risks with strategies for mitigation
- Resolution of any stakeholder implications, including collective bargaining issues

C. Phase 3. "Scale It" — End pilot initiative OR further invest to achieve system-level impact
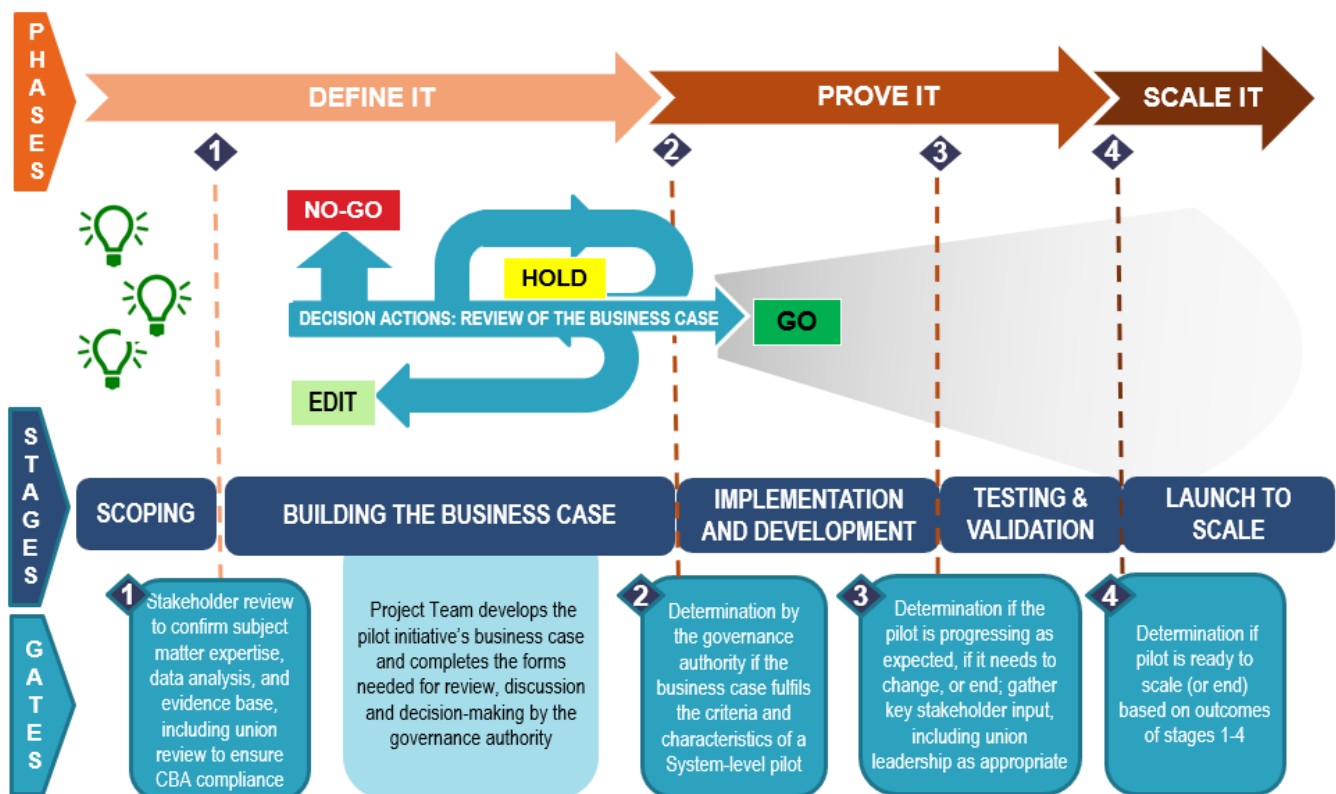
Expected outcome(s): 1) Launch-to-scale strategy with a detailed implementation plan, governance and oversight approach, and an evaluation framework with feedback loops to drive continuous improvement; or 2) Exit strategy that winds down the pilot initiative quickly and efficiently.

Any decision to scale up a successful pilot—to the whole system or to some subset thereof—must contemplate the financial sustainability of the pilot based on its intended scale. The governance authority for this decision is dependent on the nature of the pilot.

IV. Stage Gates of a System-level Pilot Initiative

Stage gates are objective, quality control checkpoints with transparent decision-making criteria that ensure 1) pilots are on track for success, and 2) scarce resources are focused on pilots with the greatest potential for impact. These are decision points—supported with information using standardized templates—to determine whether a pilot should progress to the next stage.

The pilot initiative will follow a staged process and will be carefully evaluated after each stage before proceeding to the subsequent stage. Such evaluations will use criteria and measures that have been agreed to in advance and be conducted in a manner that ensures their objectivity. An illustrative example of such a process is outlined below:

Example (for illustrative purposes only):

Stage 1: Scoping of Pilot
Gate 1: Review by system-level stakeholder representatives regarding appropriate subject matter expertise, data analysis, and evidence base, including union leadership as appropriate to ensure compliance with collective bargaining agreements

Stage 2: Building the Business Case
Gate 2: Determination by the governance authority if the business case fulfils the criteria and characteristics of a system-level pilot

Stage 3: Implementation and Development
    Gate 3: Determination if the pilot is progressing as expected, if it needs to change, or end; as appropriate, gather key stakeholder input including from union leadership

Stage 4: Testing and Validation
    Gate 4: Determination if pilot is ready to scale (or end) based on outcomes of stages 1-4

Stage 5: Launch to scale

V.   Review of Procedure and Standard
This Procedure/Standard will be reviewed for efficacy as appropriate and will be updated as needed to incorporate improvements.