

Carl B. Barney – A brief biography:

## **Carl Barney: An Englishman Living the American Dream**

By Stephen B. Friedheim

As a young man, he struck out from England, his birthplace, to seek fame and fortune – or at least fortune, with a couple of hundred dollars (pounds) in his pocket, he set out to walk, hitchhike and somehow cross Europe, Asia, and India, which he did, landing broke in Australia some months later. Through employment with a local farmer, Carl Barney and his traveling companion worked and saved enough money to move on to Melbourne, where Carl remained for four years.

Australia wasn't his final stopping point, though; he still hadn't seen America and that became his next destination. Now, thirty years later, Carl Barney has tasted the fruits of hard work, defeat, and the excitement of success – the American Way. The United States has become “his country of choice.” He says, “I greatly admire America and Americans—they've both been very good to me.” His story personifies the great *American Dream*: Hard work, persistence, innovation, and integrity = Success (*Overnight success in education in only 20 years!*) The *American Dream* concept has a profound significance for him. (He points out that there is no *English* or *European Dream*... and certainly there never was a *Russian Dream*.) It has inspired him and motivated him to educate people so that they, too, have a chance for the *American Dream*.

Twenty years ago, Carl had accumulated sufficient resources to contemplate a new career. He began searching for a new adventure which would include a high level of management and the satisfaction of doing something of real value. One of his highest personal values is *education*, and he was surprised and delighted to discover that one could “buy a school.” “How astonishing,” he thought, “to be able to own a school.” Here was a perfect way to help develop the spirit within students to inspire them to the achievement of the American Dream that had inspired him.

He found a college in San Jose, California, and bought it in 1985 without knowing anything about how a school operated or prospered – he didn't even know what a Pell Grant was! A precarious way to launch a new career – but nonetheless, Carl's determination and drive pushed him forward into the unknown.

The results were good; the school grew from 120 to 800 students; students graduated; and the bottom line showed a healthy profit. Things didn't always go smoothly; he hit some bumps, but the lessons he learned running a college opened a whole new door of opportunity to him. The *education bug* had bit him – hard. He knew he had found a uniquely satisfying calling and was determined to expand in this field and to find additional schools to acquire. And he did.

Stevens-Henager College in Ogden and Provo, Utah, (then owned by Bradford Schools) were available. These institutions, which began providing service to Utahans in 1891, had a well-respected reputation. They had provided educational experience and opportunity to an unusually large percentage of the state's population. It seemed that every family in Utah had someone who had previously attended the College. Carl saw the potential and the possibilities and purchased the group in 1992. Soon after, he was offered the opportunity to buy a small Control Data school in Denver, which he did in 1993, changing the name to CollegeAmerica.

These three schools were to become the basis for an educational enterprise that now, twelve short years later, stretches across Utah with Stevens-Henager campuses in Provo, Salt Lake City, Bountiful, Ogden, and Logan, with another in Boise, Idaho, just opening; and CollegeAmerica sites in Denver, Colorado Springs, Fort Collins, Flagstaff, and just opening in Phoenix. More recently he acquired an institution in San Diego, which he has renamed, California College San Diego. Combined these twelve colleges have a student population of nearly 3,000, a significant increase from his first entry into the field in San Jose in '85. His organizational goal is to be the biggest and best in each of his *geographical areas*.

All of his institutions offer exclusively degree programs: AS and BS degrees in Business, Accounting, Information Technology, Networking, Programming, Medical Specialties, Surgical Technology, Healthcare Administration, and Graphic Arts.

What drives the growth and development of these institutions? Besides his limitless energy, Carl has a unique leadership style that might be described as *philosophy-based management*. He has studied traditional philosophy for twenty years and admires Aristotle, and particularly, Ayn Rand and her philosophy, *Objectivism*, which he views as the “philosophy of success for successful people.” He draws upon the management wisdom of various people from Peter Drucker to Jack Welch to Winston Churchill. Carl's

philosophy and management background are woven into the periodic documents he prepares for distribution to his staff and faculty.

These are produced in several categories:

1. **Policy**, these are statements of overall guidelines, practices, and expectations.
2. **Management Memo (MM)**, these are quick, rough notations about current affairs, and some management memos are subsequently developed into formal ILs or PDs.
3. **Information Letters (ILs)**, expand on and provide details to policies. These are a guide for decisions and action.
4. **Procedure Directives (PD)**, state specific step-by-step actions to implement Policies and Information letters.
5. **Data Letters (DL)**, which are statistical (data) and/or analysis of projects or activities.

When these documents are issued, they are marked for specific action, i.e., to be read, or to be studied and known, or to be studied and applied. These codes help the staff evaluate the importance of various issues and indicate how much time, study, and attention should be devoted to them. Each of these is reviewed from time to time to ensure that the comments and directives remain current and appropriate. New editions are issued periodically as a reminder of their importance to the growth and development of the organization. Carl is a prolific author, having distributed 163 MMs, 159 ILs, and 169 PDs in the past twelve years, as well as compiling many training manuals, such as College Management and Admissions manuals.

To keep things running smoothly and to ensure that everyone is informed – knows what to do and how to do it -- these publications cover a wide range of topics. For example, some of the Management Memo subjects are: *Economics of the College, The Success Mindset, Thinking and Leading, Keys to Profit, and How to Analyze a Business Problem*. Similarly, he has developed Procedure Directives on such subjects as: *A Structure for Handling Conflict, Measuring Increases in Salary of our Graduates, Importance of Attendance, Performance Improvement Plans, and The Goal Setting Cycle*. Materials such as these serve to motivate and stimulate thinking, while at the same time protecting the brand that the organization has worked hard to develop.

More often than not, these documents express thoughts in terms of the organization's operating philosophy. For example, Mr. Barney describes it this way in Information Letter #40:

## Our Business Philosophy

**Staff: Before quality, before customers, before any and all results, there is staff.** “How good is the company (college)” is the same question as “How good is the staff and management?” From a company perspective, staff comes first. From a service perspective, customers come first.

We respect and value our people. We respect the intelligence and potential of each staff member. We provide a working environment where they are free to think, speak, and disagree. Staff is free to innovate, create, and initiate. We admire ambitious, productive people, and we protect them, encourage them, and create a climate in which they flourish. **We love, recognize, and reward producers and performers; they are our company heroes.**

Staff does not work for us as an act of sacrifice; they work to further their own goals, to further their own career, their own life, and the pursuit of their own happiness. We recognize and respect this.

Staff should have unlimited opportunities to develop and grow. All should have a study program and should be working on it. We create an intra-preneurial system where all can move up, each according to their capabilities and ambitions. All can reach for the top and for unlimited reward.

We want staff to love their work, and respect and honor each other and the company. We want them to be proud.

We recruit broadly and select the highest caliber people available—ambitious, knowledgeable, and talented managers, instructors, admissions consultants, and administrators.

**Organization serves our people and our plans.** Structure (organization) follows plans. Our organization is rationally planned to **enable our people to perform** and achieve and move to higher positions and greater rewards. We organize for effectiveness and efficiency and a brisk tempo.

The “software” of our company (policies, plans, systems, and procedures) is written, clear, and is well-known by managers and staff.

“The test of any organization is the spirit of performance. The spirit of performance requires that there be full scope for individual excellence. The focus must be on the strengths of the individuals—on what they can do rather than on what they cannot do.” e.g., Peter F. Drucker, Management: Tasks, Responsibilities, Practices.

**Customers: We want to deliver tremendous value to customers.** We want to surprise them by delivering far more than they expect. We want to spoil them, delight them, and turn them into enthusiastic promoters of our company. We love customers. With thousands of happy customers telling others how good we are, we will have all the customers we want plus waiting lists, all by referral.

**Customer service is a matter of integrity.** Integrity requires that we keep our word, that the promises we make are kept, that we meet expectations that we fully deliver that which was paid for. This is the minimum. Let’s go beyond this, and deliver the maximum.

In summary, we focus on people—staff and customers. We recruit high-caliber, talented staff of excellent character. When they join our company, we respect and support them. We give our customers **more** than expected. We delight our customers.

### **Our Ethical Principles**

The ethical conduct of our company is of supreme importance. We hold as values and virtues rationality, purpose, innovation, productiveness, profit, honesty, integrity, justice, and pride. These values and virtues are the core of our ethical code. To be ethical means to apply, to work by, and to live by these values and virtues.

**Rational Management: Reason is our basic management tool.** Reason is management’s only source of knowledge and its only guide to action. We manage by factual knowledge and not by intuition, force, whims, or personality. We encourage rational thought, open discussions, spirited disagreement, and thoughtful participation for all staff in developing the policies and plans of the college(s). Take the time to think and say what you think.

**Purpose: We are purposeful, goal-directed in every aspect of our work,** in every position, and in the entire college. All individual staff members, and the college overall, work toward achieving goals and standards. Our continuing

overriding purpose, dedication, and mission is to help our students to get a much better job faster.

**Innovation: We constantly seek new and better ways** to teach and to do our work. We are adventurous and will experiment. We will improve every program, every department, and the overall college every year.

**Productiveness (Profit): We earn and deserve a profit by and through applying these policies.** The value of what we produce minus our cost of production is the measure of our productiveness, which equals our profit. We are economical; we seek value. A commitment to profit is required of all staff. Profit is our honorable reward.

**Honesty: We are scrupulously honest** with our students, staff, and all those we deal with. We are always honest and, particularly, when it is hard or when we stand to lose something.

**Integrity: We are committed to our principles, policies, and standards.** We deliver full measure on our promises. We act on the basis of the policies written here. We are serious; we mean it.

**Justice: We are fair to staff and students.** We deliver **value**. We act after careful consideration of facts and never by whim. We honor the good and reject the unethical. We do not permit hostile, unethical people, or criminals to be in our college. It is wrong not to speak up when something or someone is wrong.

**Pride: We aspire to the highest and best we can be.** Pride demands that we practice the highest ethical standards at all times.

All staff are responsible for the integrity and consequences of their own actions. The above values and virtues are a guide to action. While serving our company, no staff member may engage in any activity contrary to our ethical principles. No one may engage in any activity that is, or gives the appearance of being improper, unethical, or illegal; or engage in any activity that could in any way harm or embarrass our company or our customers. The highest standards of service, honesty, fairness, and integrity must be followed by each and every staff member when engaging in any activity in this company with other staff, customers, or accrediting or government agencies.

Documents such as this one are expected to be read and understood. A process of evaluating the understanding is utilized by a central Staff Training center which ensures that all members of the staff appreciate the importance of each philosophical and managerial direction.

The organization follows these principles by hiring the best administrators at each campus that can be found. “Our Presidents/Executive Directors are vital to each college’s success. I want each of them to treat the campus as if it is ‘their own college’ and operate it as such,” Carl advocates. While holding to this principle, he also recognizes that his campus leaders need oversight to make certain they maintain the *Quality, Compliance, and Customer Satisfaction*, so essential to achieving their goals.

Besides weekly conference calls, quarterly meetings are used to emphasize the policies, set goals, measure progress toward goals, and adjust plans, where necessary. These sessions are usually preceded by a learning exercise in which Carl, in the role of Chairman/CEO and mentor, expands the leadership staff’s knowledge of his management and operational principles. For example, one such session centered on an exercise in using mathematics as an essential element of thinking and planning. During the meeting, the presidents’ learned the fundamentals and practiced to incorporate the techniques into the current planning cycle.

At another such session, executives were asked to provide recommendations on ways to integrate and simplify activities. Each of the campus leaders was tasked with an advanced planning assignment that illustrated the topic for presentation and evaluation of the group. Carl believes that by mastering such techniques, an organization can grow, prosper, as well as save time, money, and energy, while preserving the key services to all customers. In the course of each presentation, numerous ideas and concepts are offered to achieve the consolidation and simplification objectives.

Delegating authority and responsibility to his campus directors has worked. Couple this concept with new curriculum and new locations each year and the student population has had continuous, annual growth: 2000: 1,132 students; 2001: 1,424 students; 2002: 2,027 students; and, 2003: 2,805 students) -- almost a 250% growth in three years. With four additional locations already identified, and new on-line courses under development, the anticipated growth into the future is assured.

Commenting on Carl’s management style, Vicky Dewsnap, President of Stevens-Henager College at Ogden says, “Mr. Barney has helped me grow in my career by giving

me great opportunities to create other campuses and help them grow into fully functioning branches. This rounds out my personal need for progress and growth.”

Barbara Thomas, President of the Denver campus of CollegeAmerica, agrees and adds, “Mr. Barney has continued to challenge me, both as a leader and as a person since I began working for him in 1996. He encourages my development by tasking me with company-wide projects that challenge me such as moving from *Complexity to Simplicity* and being *Clear, Convinced, and Committed* to my plans. These assignments have caused me and my team to grow closer as a unit, as we strive to think out of the box or in new dimensions. While setting goals which often force me to rise to or exceed my personal best, Mr. Barney has been there with me offering his support and coaching me to success. He supports me as a whole person, rather than just an employee, who is paid to accomplish certain objectives. Sometimes it is almost as though he says, ‘I know I just asked you to do something impossible, would a cup of tea make you feel better?’ (Remember, he’s a Brit). He serves as a model and provides the motivation I need to meet my goals. I know he would never ask me to do something he couldn’t do, and better yet, he wouldn’t ask me to do something unless he was sure I could do it, too.”

The physical appearance of the educational facilities is of great importance to Carl. He believes that an attractive, well-lit, colorful institution, equipped with leading edge equipment is consistent with the educational contract a college has with its students. As such, he personally designs each of his locations with detailed attention to the build-out of an existing facility or the design of a completely new facility.

Mark Duda, director of CollegeAmerica in Colorado Springs, said, “During the design phase of this facility, Mr. Barney demonstrated an almost uncanny understanding of the needs of the student and the location of the building. The layout ideas that he ‘dreamed up’ became the key elements in the successful build-out. He insisted that we review the architect’s design exhaustively times before it was finalized. He had a vision clearly in mind so we were able to review via computer the interior design scheme. His negotiation of the lease, which was in question many times because of the landlord’s lack of flexibility, prevented a significant lost of time, energy, and money. Yet, during the process he allowed those of us ‘on the ground’ to complete the architectural plans, supervise the contractor’s work, and construct the facility you see today.”

Carl is currently building a new 30,000 square foot facility in Provo located on the major North-South freeway adjacent to a large community college, where the



enrollment has been capped at 30,000. The spill-over of 5,000 students is expected to represent a significant part of the future enrollment for the Provo campus.

Next year, Salt Lake City will enjoy a new 70,000 square foot building, similarly located on the main North-South freeway. Enrollment on that campus has increased to such an extent that a new, enlarged facility is mandatory.

By managing the expenses, adding programs and opening new campuses, he has been able to maintain an average bottom line of approximately 25% for the past five years. Carl's strategy and systems prove that by doing the right things, in the right way, and at the right times will result in the desired bottom line.

He opens campuses by inviting his sitting presidents to assume the responsibility. While perhaps unorthodox for other career college groups that expand, this has been a very successful system. Ron Moss, President of the Salt Lake City campus, opened a facility in Bountiful; Vicky Dewsnup, President of the Ogden campus, opened a branch in Logan and another in Boise; Pascal Berlioux, Executive Director of the Flagstaff campus, opened a campus in Phoenix; and Barbara Thomas, President of the Denver campus, opened campuses in Fort Collins and Colorado Springs. Each administrator effectively managed the creation of a new campus while continuing to operate their home campus. Not an easy feat!

By empowering his presidents/executive directors, they willingly take on additional responsibilities and thrive in the atmosphere. For example, Pascal Berlioux, a Frenchman trained at the French equivalent of West Point, who leads the Flagstaff campus and is responsible for opening the Phoenix campus, has learned a lot about the education "business" and himself as a result of working in a leadership capacity in Carl's organization.

Pascal says, "Mr. Barney is making me realize and understand why I am doing what I do. Specifically, he is helping me and coaching me in the realization and clarification of my value system, in the structuring of my virtues, and in guiding me along the comprehension of the fundamental role of my mind, in whom I am and what I do. Carl has taught me more in one year about more important issues, than I have learned in over twenty five years."

While Carl uses all of the marketing tools that are available to any career college, he has probably spent more time studying and perfecting his use of the Yellow Pages. By buying space in every possible commercial and home phone directory in each of his

markets, and by assigning each ad in each book and in each position with different 800-number, he has perfected a strategy of lead generation that hasn't been matched. Using the response data that includes a lead-to-enrollment statistic from these leads, he is able to adjust which phone books are winners and which should be dropped. By using hundreds of 800- numbers over a period of years, his leads have significantly increased.

Separate 800- numbers are used for each of his marketing presentations, direct mail, newspaper, television, etc., and a monthly statistical evaluation is made for each. Even different ads in the same paper with different "messages" will carry separate 800-numbers, allowing for an opportunity to determine which message resonates best.

Carl believes in being alert to opportunities as they present themselves. For example, the President of the Provo campus, Carol Gastiger, recently realized that several of her newly enrolled students were natives of Tonga, an island in the Pacific. After a little research she discovered that there is a large community of Tongans in Utah. Conversations with the students revealed that a number of other students could be recruited from this population. To attract their attention and introduce them to Stevens-Henager College, Carol held a Luau the parking lot. This proved to be great success. Tongan parents and community leaders were thrilled that a collegiate institution was interested in providing an educational experience especially for their young people.

She and her staff began holding meetings with the Tongan community leadership. It turns out that the community was distressed about the lack of skill training available to their offspring. Without such educational opportunity, it would be impossible for them to become meaningfully employed. Carol encouraged the community to participate in an enrollment drive to bring prospective students to the College. She was so persuasive that it appears that she'll be able to enroll a minimum of 200 new students before the year is out. Carl has promised that when she has recruited – and packaged – 150 students, he will develop a satellite facility located near the center of their community. Carol expects to accomplish this by April, 2004.

And one opportunity leads to another. Following the development of an enrollment program for the Tongans living in Utah, Stevens-Henager College was notified that the King of Tonga was donating a significant parcel of land for the construction of a college in Tonga – the very first postsecondary institution for the Pacific Islands. Stevens-Henager is currently assisting by providing its curriculum for use at the new college, as well as some computers, and teacher and management training right in

Tonga. Mrs. Gastiger and Mr. Barney have been invited to come to Tonga later this year as guests of the King for special ceremonies honoring the King's educational initiative and the contributions of Stevens-Henager to the creation of the new college.

So, it's 2004 in Tonga, and then.....