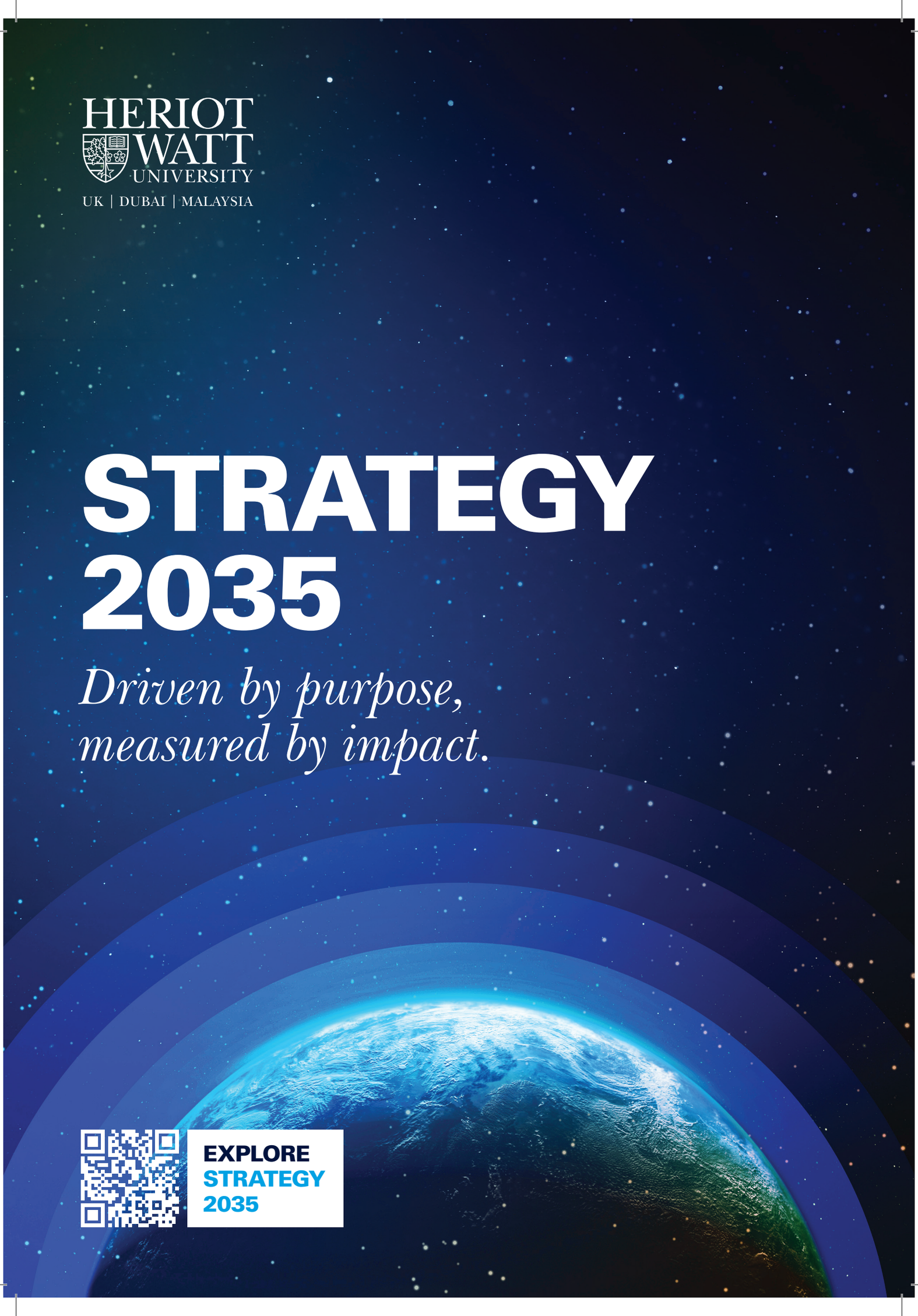
HERIOT WATT UNIVERSITY

UK | DUBAI | MALAYSIA

STRATEGY 2035

Driven by purpose, measured by impact.



EXPLORE STRATEGY 2035

Strategy 2035

Our Strategy focuses on applied learning for life and employability, with research that addresses real-world challenges.

We are partners, collaborators, entrepreneurs and innovators.

We care about sustainability, about developing and educating people who will lead and make a difference in the world.

Contents

Introducing Strategy 2035 **4**

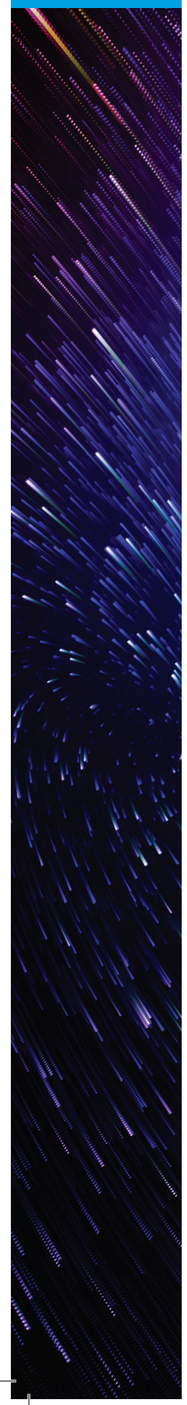
- Our Purpose 7
- A distinctive University 8
- Building on our strengths 9

Driven by purpose, measured by impact - Strategy 2035 **10**

- Our strategic ambitions 10
- How we will drive growth: two strategic pathways 12
- How we will enable and drive our Strategy 18
- How we will implement our Strategy 22

Key metrics **24**

- How we will measure our performance 24



Introducing STRATEGY 2035

Since 1821, Heriot-Watt's innovative education model and pioneering research have enabled us to make global impact by creating and sharing solutions which benefit society.

Strategy 2035 builds on these strengths, and on our global footprint and Scottish heritage, setting out purpose and direction for the future.

It has been developed through an empowered leadership model across our campuses, drawing on the creativity and expertise of a wide range of our people with a high level of engagement that has helped steer and shape the way forward.

Through **Strategy 2035** we will continue to be values-led, with people and the distinctive partnership with our students at the heart of our approach and decision making. Our ethos of employability and focus on real-world challenges will be central to our reputation and impact.

Our strategic ambitions, growth pathways and strategic enablers within our **Strategy 2035** will drive how we move forward, respond to changes in the higher education landscape, and ensure we continue to provide a distinctive offer.

> *"Our ethos of employability and focus on real-world challenges will continue to be central to our reputation and impact.*

We are FUTURE SHAPERS

STRATEGIC AMBITIONS

DRIVEN BY PURPOSE

Our ethos of employability underpins our growth strategies and our purpose as Future Shapers.

Our learning is accessible and flexible through a portfolio designed to meet graduate and employer needs.

Our research is focused on addressing real-world challenges.

MEASURED BY IMPACT

We will deliver strong employability and graduate outcomes, and lifelong learning opportunities.

We will deliver an exceptional student experience with flexible and accessible provision underpinned by our ethos of employability.

We will foster excellence in research and innovation with a focus on real-world challenges through our Global Research Institutes.

TWO GROWTH PATHWAYS

ONLINE CAMPUS
Scalable, flexible, lifelong and online learning. The University will increase its reach and impact through its Online Campus.

STRATEGIC PARTNERSHIPS
Academic, industry, civil and global collaborations. We will intentionally develop strategic partnerships for learning and research, transnational education, and on-campus provision.

THREE STRATEGIC ENABLERS

GOVERNANCE EFFECTIVENESS AND OPERATIONAL EXCELLENCE
With a focus on long-term sustainability, we will shape the University, so it is strategically aligned, operationally agile, and people-centred, delivering maximum value and impact for students, staff and society.

STRATEGIC AND INTENTIONAL APPROACH TO PARTNERSHIPS
Partnerships will benefit from a strategic shift in our approach, which will be critical in achieving the growth, margin and impact needed.

RESPONSIVE, ACCESSIBLE AND FLEXIBLE EDUCATIONAL OFFERING
Through the Shaping Futures Education and Student Life Framework, the University will develop a more flexible, market-relevant and accessible portfolio, equipping students with industry-relevant skills.

PEOPLE
People - centred culture.

VALUES
Living our values every day.

SUSTAINABILITY
Environmental sustainability and climate commitments.

OUTCOMES THAT MATTER

GRADUATE SUCCESS & EMPLOYABILITY
Empowering our students with the knowledge, skills and experience to thrive in a changing world and secure meaningful, sustainable careers.

RESEARCH IMPACT
Creating and applying knowledge to solve real-world challenges and deliver positive global impact.

GLOBAL REACH & SOCIETAL IMPACT
Expanding our international presence and partnerships to create prosperous, equitable and sustainable societies.

FINANCIAL SUSTAINABILITY & LONG-TERM RESILIENCE
Margin generation, investment capacity and strong financial stewardship.

Our PURPOSE

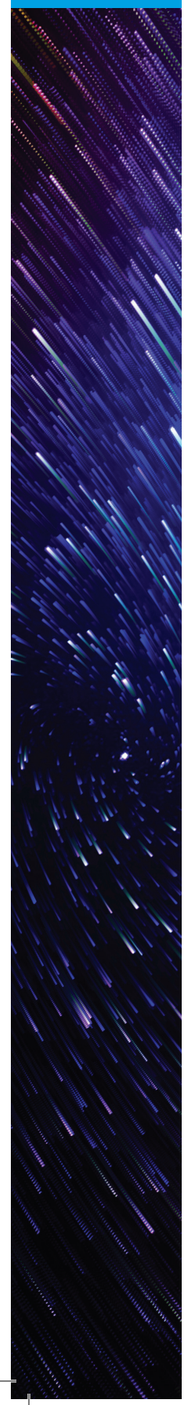
We place our people – the staff and students of the University – at the heart of everything we do. It is the people and our values that make the University a great place to work and study.

Our Institutional Impact Statement is the anchor for our strategy, defining our purpose as follows:

WE ARE FUTURE SHAPERS

Our Purpose is to develop leaders to build an equitable, sustainable, and enriching society.

Our community will leverage its global presence and focused expertise to provide applied learning and research to transform lives and address real-world challenges.



A distinctive UNIVERSITY

Founded in 1821 as the Edinburgh School of Arts, Heriot-Watt was the world's first Mechanics Institute, born out of the Scottish Enlightenment and the Industrial Revolution, with a mission to educate working people for technical and scientific jobs. Our founding mission and character of the University across the years has been to make education accessible and deliver tangible benefit to industry and society.

Growing from our Scottish roots we've become a distinctive, global University.

- A Scottish University with global reach and an exceptional record for transnational education.
- A University which is values-led; a community with people at its heart.
- Characterised by an exceptional partnership with students and experience that is personal, local and global.
- Rooted in our heritage from 1821 in providing access to education.
- Focused on learning for employability and for success in life.
- Research that impacts real-world challenges and benefits society.
- We are thought leaders in sustainability, seeking to develop people who will lead in this area and make a difference in the world.



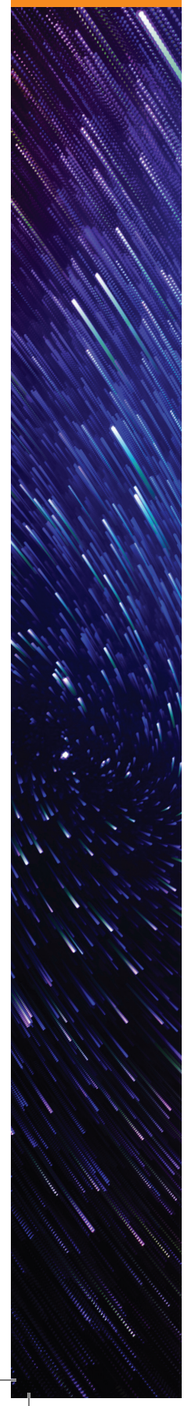
Building on OUR STRENGTHS

Strategy 2035 will build on our strengths, bridging from Strategy 2025 to Strategy 2035.

- Through Strategy 2025, the University has grown and developed its international footprint and continued to excel as a leader in transnational education, with fully integrated campuses in Dubai and Malaysia and high quality academic partnerships.
- The University flourishes with flexible learning pathways supporting 27,000 students from over 154 countries, both online, with partners, and on campus across Scotland, Dubai and Malaysia.
- Research and Enterprise initiatives have progressed, with areas of world-leading excellence and impact spanning research from Mathematics to Social Policy and from Carbon Solutions to Quantum and Photonics. This has been complemented by the establishment of Global Research Institutes as focal points for research undertaken in partnership with industry.

These are just a snapshot of our main achievements over the last ten years, and through Strategy 2035 we will sharpen our focus and strengthen our commitment to deliver:

- Applied learning that is accessible and flexible, both on campus and online, with an exceptional student experience;
- Excellence in graduate outcomes and employability;
- Breakthrough research that tackles the world's biggest challenges – transforming climate action, revolutionising health outcomes, and pioneering robotics and other technologies that are essential to shaping the future.



Strategic ambitions
DRIVEN BY PURPOSE, MEASURED BY IMPACT.

Research focused on real-world challenges
Our focus is on research excellence and impact on real-world challenges through our Global Research Institutes and fundamental research. We aim to be recognised among the world's leading universities for research excellence and impact in areas ranging from Mathematics to Social Policy and from Carbon Solutions to Quantum and Photonics. Excellence in research raises the University's reputation, critical to attracting and retaining high quality staff and students. The University will be in the top 250 universities in the world.

Accessible, responsive and flexible portfolio
We will rigorously focus on access to applied learning for life and employability, developing a future-forward portfolio of programmes aligned to market needs that equip students with industry-relevant skills. We will optimise the benefits of our portfolio, including through advances in AI, to ensure we continue to be a leader in transnational education through both online and on-campus learning.

We will purposefully design and manage the portfolio with agile responses to changes in demand, meeting the requirements of our students and other stakeholders. We will build on our decades of experience in online delivery to significantly develop our Online Campus, increasing capacity to around 100,000 learners by 2035, and design it to meet the requirements of learners throughout their life and careers.

A signature student experience
We will deliver a signature Heriot-Watt student experience across all modes and locations of study. It is characterised by our values-led culture, strong student partnership, flexible and responsive education, our dynamic research environment, and our established global reach with opportunities to study locally and globally. Our exceptional student experience with flexible and accessible provision is underpinned by ethos of employability.



How we will DRIVE GROWTH

Through Strategy 2035 we will drive significant growth in our scale, reach and impact through on-campus and transnational activity via two main pathways.

1. **Growing our Online Campus**, delivering flexible learning designed to respond to a changing world and meet the requirements of learners throughout their life and careers.

2. **Developing strategic partnerships** for both learning and research, adding value and strengthening the impact we can make in the world.



Development of our ONLINE CAMPUS

Our Online Campus will respond to an urgent market need: empowering individuals and organisations to adapt, thrive and innovate in the face of rapid change.

Heriot-Watt is currently in the top 10 UK distance learning providers, and the 4th largest UK provider of postgraduate distance education. Our ambition is to see significant growth in our online provision through the development of our Online Campus.

By 2035, this Online Campus will have achieved transformational growth and be recognised globally for its leadership in expanding access to flexible, career-aligned online learning through a scalable, innovative and sustainable model.



How we will drive strategic growth of the Online Campus

We will drive strategic growth through three core approaches:

Approach	Approximate % of growth in student numbers
Portfolio expansion: We will purposefully design and manage the portfolio with agile responses to changes in demand, and expand undergraduate and postgraduate programmes, micro-credentials and executive education for lifelong upskilling and reskilling.	20%
Distribution at scale with partners: We will partner boldly to distribute globally at scale and with margin.	30%
Innovation into new products and formats: We will innovate, creating new products and formats to increase our reach and engage broader audiences, including development of Continuing Professional Development.	50%

How we will support this growth

We will develop:

- **Robust, adaptable digital infrastructure,** including Customer Relationship Management (CRM) and Learning Management Systems;
- **Dedicated academic resources** driving portfolio development and ensuring that we maintain the quality and standards which are critical to our reputation;
- **A commercially-minded, specialised professional services team;** and
- **A portfolio of partners** providing routes to market and the ability to scale at pace.

We will invest in the soft infrastructure and pedagogical skills required to design and deliver courses and stackable micro-credentials to meet the expected shift in balance of part-time to full-time students over the ten-year lifetime of Strategy 2035.

Development of our PARTNERSHIPS

We will adopt a more strategic and intentional approach to partnerships to expand our reach and impact.

We will build on our partnerships to add value, create opportunities, expand both numbers and types of students, and increase the reach and impact of our research, enterprise and innovation.

We will build internships and employability opportunities and enhance the student experience through our partnerships with business and industry.

Working collaboratively across disciplines, institutions and sectors, we will form dynamic research partnerships that help us co-create solutions with industry, academia and communities.



How we will drive strategic growth

We will drive strategic growth through the range and impact of partnerships:

Type of partnership	Impact area
Anchor partnerships	Corporate partners that have interests and operations across our global footprint.
Cluster partnerships	Clusters of external partners centred on areas of specific expertise.
Strategic alliance and growth partnerships	Aligned with our Online Campus vision, partnerships with international institutions and platforms to expand the range of students we can reach, and supplement online learning with in-person teaching, student support and networking opportunities.

How we will support this growth

We will develop:

- **A robust partnerships framework** that structures our approach;
- **Roles and responsibilities** in relation to the development, contracting and management of partnerships;
- **The mindset and operational approach** to reap the benefits from this increased focus.

> *We will build internships and employability opportunities, and enhance the student experience through our partnerships with business and industry.*

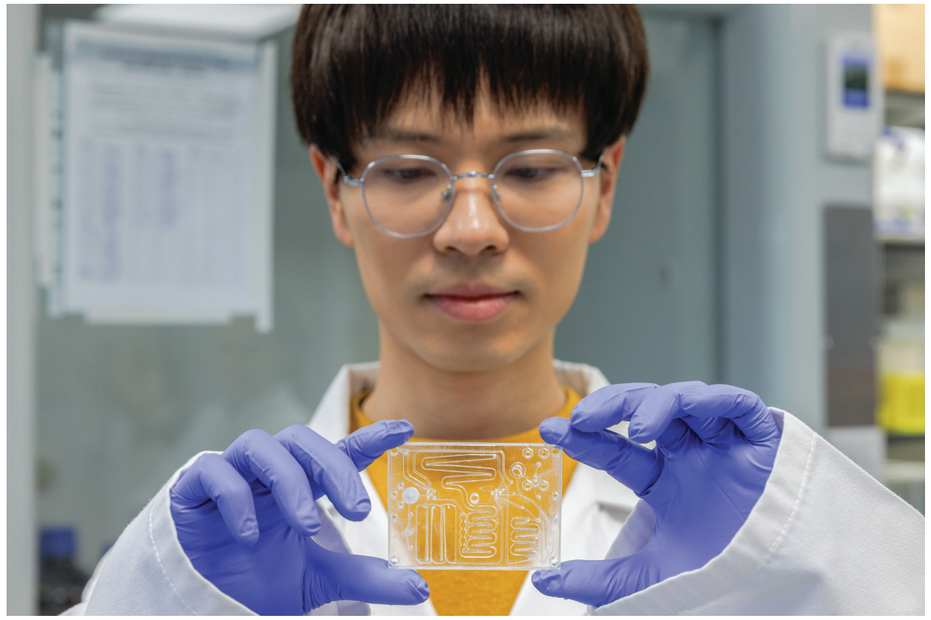
How we will

ENABLE AND DRIVE OUR STRATEGY

Three strategic enablers will support our strategic growth. These enablers are the core foundations, capabilities, and resources that empower us to deliver on our ambitions. They are about ensuring we are sufficiently agile and resilient to deliver our strategy and will build our capability to respond to changes in the higher education landscape.

Our strategic enablers are:

1. Governance Effectiveness and Operational Excellence
2. Strategic and Intentional Approach to Partnerships
3. Responsive, Accessible and Flexible Educational Offering



Enabling through Governance Effectiveness and Operational Excellence

With a focus on long term sustainability, we will shape the University, so it is strategically aligned, operationally agile and people centred, delivering maximum value and impact for students, staff and society.

This enabler is about supporting delivery of the strategy through:

- Strong financial and resource planning, management and governance;
- Empowered leadership, a collective focus and a culture of collaboration;
- A fit-for-future global operating model and digital transformation;
- Environmental sustainability.

Strong financial and resource planning, management and governance will:

- Build financial resilience through rigorous financial stewardship and long-term financial planning;
- Drive increased margin to build investment capacity;
- Establish an effective integrated planning process and global resourcing model;
- Adopt best practice across the University's governance structures.

A fit-for-future global operating model and digital transformation will:

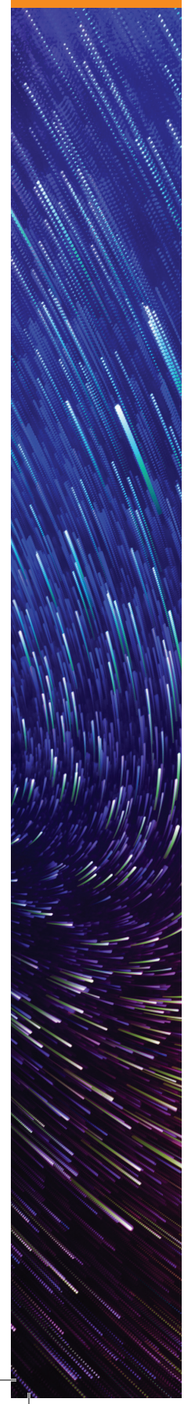
- Develop an operating model to support strategic delivery and sustainable growth;
- Build a digital strategy and data-informed approach;
- Invest in digital infrastructure to support scale and flexibility for multi-mode, multi-location education delivery;
- Ensure business systems are designed to support an effective, efficient global operating model.

Empowered leadership, a collective focus and a culture of collaboration will:

- Develop people to be confident leaders and collaborators with goals aligned to strategic priorities;
- Enable better-informed decision making;
- Champion a culture of inclusivity;
- Embed strategic workforce planning;
- Improve organisational design and change management capability;
- Manage talent and support performance, growth and development;
- Develop close collaboration between Professional Services and Schools across campuses.

Environmental sustainability is focused on:

- Engagement and leadership through our Climate Action Framework;
- Embedding sustainability through a strategic governance approach;
- Managing our campus sustainability through a whole community approach;
- Seeking solutions to energy challenges through smart energy systems.



Enabling through Strategic and Intentional Approach to Partnerships

Partnership is a strategic growth pathway, enabled by a shift in our approach which will be critical to achieving the growth, margin and impact intended.

This enabler is about supporting delivery of the Strategy through:

- A more strategic, systematic and intentional approach;
- Building partnerships to drive revenue with margin and growth at scale, and which enhance our reputation;
- Developing collaborative partnerships to advance our research and increase its impact.

A more strategic, systematic and intentional approach will:

- Establish roles and responsibilities for the development, contracting and management of partnerships;
- Develop a robust partnerships framework to structure our approach;
- Forge high-impact, long-term relationships aligned with strategic goals.

Building partnerships to drive revenue with margin and growth at scale, and enhance our reputation will:

- Create mutually beneficial partnerships;
- Target collaborations that support commercialisation, start-ups and innovation ecosystems;
- Cluster partnerships around shared values, complementary capabilities and goals;
- Create integrated ecosystems that drive economic renewal, technological breakthroughs and deliver measurable benefit for society.

Developing collaborative partnerships to advance our research and increase its impact will:

- Build collaborations with civic bodies, industry and research communities to co-create solutions to pressing challenges;
- Embed an entrepreneurial mindset to ensure research translates into real-world outcomes.

> *A more responsive, flexible approach and focused management of our portfolio will see us better able to adapt to changing student and employer needs.*

Enabling through Responsive, Accessible and Flexible Educational Offering

A more responsive, flexible approach and focused management of our portfolio will see us better able to adapt to changing student and employer needs.

This enabler is about supporting delivery of the Strategy through:

- Our Shaping Futures and Student Life Framework delivering exceptional educational outcomes;
- High quality, flexible, accessible career-aligned education;
- Our globally connected community.

Our Shaping Futures and Student Life Framework will:

- Enhance the exceptional quality of our graduates;
- Equip students with the capabilities to step confidently into and through their professional careers;
- Develop Future Shapers – leaders enabled to make a positive impact;
- Deliver our signature student experience;
- Build distinctive educational experiences to ‘Go Global; Study Global; Collaborate and Work Global’.

Our high quality, flexible, accessible, career-aligned education will:

- Deliver exceptional graduate outcomes and employability;
- Develop an agile approach to programme development to respond to emerging needs and opportunities;
- Focus on real-world learning, integrating industry-relevant challenges, enterprise and innovation into the academic experience;
- Embed excellence and secure appropriate consistency and efficiency in design and delivery;
- Develop more flexible and granular learning models including modular and lifelong learning formats;
- Create simplified programme structures and flexible pathways to enable students to move between different types of learning;
- Embrace developments in educational technologies including AI.

Our globally connected community will:

- Deliver inclusive, intercultural experiences and meaningful engagement across campuses and regions;
- Provide opportunities for students to develop a sense of purpose, community belonging and global awareness.

How we will
IMPLEMENT STRATEGY 2035

Phased implementation

We plan for three major phases of change and growth to 2035. Throughout delivery, we will monitor the risk landscape, utilise our risk management framework and adopt an agile and adaptive response.

Phase 1 (25/26 – 27/28) will build foundations by focusing on the three strategic enablers designed to strengthen and improve our operations and develop the strategic and financial delivery plans for Strategy 2035. During Phase 1, we will continue to grow and build on our strengths as we prepare for the second and third phases where the focus shifts to driving growth.

Phase 2 (28/29 – 30/31) will increase focus on growth, driven online and on campus through the geographic hubs we operate in, particularly MENA and ASEAN.

Phase 3 (31/32 – 34/35) will build on a review of success and lessons learnt towards the end of Phase 2. This will allow us to intentionally shape Phase 3, course correcting and reprioritising where necessary, recognising that there are likely to be both new opportunities and challenges across the ten-year period of the plan.

> *We will continue to grow and build on our strengths.*



How we will
MEASURE OUR PERFORMANCE

Success will be measured not only by growth, but by the impact we create for our students, communities, partners and society. Our metrics will be further developed through future phases of planning for the operationalisation of Strategy 2035. We will develop clear performance indicators with delineated stage gates across the planned phases of the Strategy implementation. For the two growth areas, targets and 'scorecards' will be used to support tracking and reporting on performance.



Strategy 2035 - key metrics for shape and size of Heriot-Watt University

Strategy 2035 - Key Metrics	2025	2030	2035
Growth	**6%pa**	**6%pa**	**20%pa** (50% over 10 years)
Turnover	**£300m**	**£370m**	**£460m**
Margin	**Group <4% (Dubai 8%)**	**4%**	**4%**
Deficit/surplus	**£(7m)**	**£35m**	**£75m**
Debt service	**£6-8m**	**£10-£12m**	**£15m** (2% of turnover for long term debt of £145m repayment)
Capital Requirement	**£10m**	**£10-12m**	**£15m**
Investment Requirement	**£10m**	**£20m**	**Generate significant surplus to enable strategic investment** (£37m)

These metrics will be further developed in the next phase of planning for the operationalisation of Strategy 2035, and expressed as performance indicators with delineated stage gates across the planned phases of the strategy implementation.

Student Growth in S2035	2025	2030	2035
Scotland	**9,000-10,000**	**9,000-10,000**	**9,000-10,000**
Dubai	**5,000**	**6,000**	**8,000**
Malaysia	**2,000**	**3,000**	**5,000**
Online (includes CPD numbers)	**10,000**	**20,000**	**100,000**
CPD (from KEIF)	**£4m**	**£6m**	**£10m**
Degrees : Micro-credentials			**75:25**
Full-time : Part-time study			**50:50**

Environmental Sustainability targets	Baseline (2018/19)	2030	2035
These targets reflect ambitious action to reduce our emissions, and the impact of modelled projects across our Scope 1, 2 and 3 core emissions. Achievement of the targets will ensure that our Scope 1 and 2 emissions are reduced in alignment with a 1.5oC science-based target trajectory.			
Core Emissions *As a global institution we are aiming to be net zero across our core operational emissions by 2035 at the latest, with an ambition to bring forward this achievement as far as possible. We will adopt a combination of intensity metrics to measure our progress: tCO2 e/student FTE kWh/m2*	**20,379 tCO2e**	**10,700 tCO2e**	**5,350 tCO2e**

Research & Enterprise Reputation, Income	2025	2030	2035
New Research Awards	**£59m**	**£66m**	**£80m**
Industrial Partnership Income	**£14m**	**£22m**	**£35m**
No. of Highly Cited Researchers	**1**	**10**	**20**
Enterprise Income	**£3m**	**£9m**	**£13m**
Number of spin-outs	**14**	**32**	**50**
Graduate start-ups (ethos of employability)	**12**	**63**	**100**
Doctoral Student Enrolment	**1100**	**1350**	**1600**
QS Ranking	**287**	**220**	**200**

Distribution of Tuition Fee by campus (2025)	Total Tuition Fee Income (2025)	Scotland	Dubai	Malaysia
Undergraduate	c£89m (+29m Teaching Grant in Scotland only)	43.1%	44%	12.9%
Postgraduate Taught	c£43m	71.8%	27.2%	1%
Postgraduate Research	c£11.4m	94.7%	3.5%	1.8%

Assumptions to be integrated into our Financial Plan

- Disinvestment from loss making or strategically unaligned activity
- Dubai and Malaysia Campuses used to capacity
- Assumes Investment and likely restructure for Heriot-Watt Online
- Significantly different balance of students on campus/online/location/with partners
- Significant growth in lifelong learning and micro-credentials with flexible delivery
- Investment in soft infrastructure for pedagogical skills for PT and micro-credential development and delivery

Proposed Assumptions on Allocation of budgets based on revenue

- Our overall margin needs to be linked to cash – which will drive our ability to fund future investments and adhere to debt covenants.
- Using the assumptions below suggests we need to generate 12% margin.
- However, removing non-cash items such as depreciation expense and income from capital grants, which will be circa 6%, suggests achieving a 4% margin would be sufficient.

Grants to Students (Research) to support James Watt PGR scholarships	1% of turnover
Grants to Students (scholarships/widening access)	1% of turnover
Capital spend (Business as Usual)	5% of turnover to be invested in replacement activity
Capital spend (Enhancement)	3% of turnover to be invested in new technology, strategic investments
Financing (Debt Repayment)	Generate 2% of turnover for long term debt repayment ie the £145m
Contingency	Generate 2% contingency each year



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