Once Upon a Time In a Galaxy Called Higher Ed...
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The sound you hear if you listen very closely around the country is the sound of some very long standing and traditional bubbles bursting.
Higher education is facing transformation.
Rule Number One: Know Your Audience.

Rule Number Two: Never forget Rule Number One.
Our understanding of who we are serving and why is changing.
Drexel University reported some years ago that 70% of the higher education learners are:

- Going to school part time
- Working full time
- Caring for a dependent

Everyone in this room knows the people I’m talking about. Many of you talk to them every week.
More recently (January 2013) Louis Soares, a fellow at the Center for American Progress, published a report through the American Council on Education (ACE) entitled:

Post-Traditional Learners and the Transformation of post-Secondary Education: A Manifesto for College Leaders.

In this clearly stated analysis and call for action, Soares suggests:

For higher education to be relevant and therefore both successful and politically viable, we must recognize the need to be a more effective driver of economic viability.
Sure, for decades we have asserted that getting a college education was necessary—maybe even required—to be both socially and economically successful as an individual. Some of us even talked about the impact on the region, the nation even the world.

So we focused on putting 18 year old butts in seats. Get those kids in college, get them socialized, more worldly, and hopefully educate them in a fashion that will allow them to apply the newly acquired expertise and information to their benefit.
Today, however, according to Soares and others, that kegger-going, sorority-pledging group of so-called traditional students makes up only 15% of our higher education student population. The remaining 85%--what Soares calls the Post Traditional Learners—are a diverse and complicated set of audience segments.
As Soares points out, “Post-traditional learners are individuals already in the work force who lack a post-secondary credential, yet are determined to pursue further knowledge and skills while balancing life, work, and education.”

Again, raise your hand if you have talked to someone who fits that description. Someone who is grappling and you are one link in the lifeline with the rest of us. As you all partner with our universities, our combined goal is to personally help these individuals be successful. And through that improve the economic viability of our communities, states, and regions.
The Lumina Foundation suggests that there are 39 million people in the US with some college but no Bachelor’s degree.
Here in Oregon, we’ve run the numbers even deeper to try—in following Rule Number One—to understand what our market really looks like.

There are 750,000 people (age 24-64) in Oregon with some college and no Bachelor’s degree. (Lumina numbers) From that we have done additional survey work that shows 500k plus with some interest in pursuing a credential. And then 230k or so who indicate they are willing to pursue that Bachelor’s degree wholly online. There’s the market segment we’re competing for.
These folks are in addition to the 85% post traditional learners that are in some way still currently engaged in education. Yet their needs and expectations are similar in many ways—in fact I would say in many ways these are the same people—people who call themselves learners as much as students. As Soares points out, there is a huge difference between those who considers themselves students who are working as opposed those who characterize themselves as workers who are continuing to learn. “Finishing” college to many of in the 85% is not something defined in the six-year graduation rates demanded by assessments like the US News survey of higher education. US News obviously don’t get it yet.
If you “unpack” the 85% as Soares does in the manifesto paper, you see the diversity and complexity we need to address in this post-traditional learner audience.

This group includes:

- Adult learners
- Employees who study
- Low income students
- Commuters
- Student parents

Pretty diverse.
38% of enrolled students are over 25 years old
25% are over 30 years old

25% of post-secondary students are parents

40% of all undergraduates are enrolled part-time

33% work full time
44% work part time
Why are these people so motivated to continue learning when life throws multiple obstacles in their path?

The numbers are pretty clear. If you have a Bachelor’s degree as opposed to a high school degree, you will make on average $1.3 million dollars more over your working life. (Latest Census Bureau numbers)
So, how does a truly 21st Century public university adapt and reach this post-traditional 85% as well as the 39 million with some college and no degree?

Many of us are focusing on online access...and looking to disrupt our educational enterprise from within. Online learning has the disruptive potential to expand student-centric and adaptive online learning environments. That’s our goal.
In the late 1990’s an economist colleague of mine and I published a paper focusing on how information gained value. Anticipating the impact of digitization, our premise was that information marketplace was about to get very competitive and that if public higher education didn’t wake up we might not remain an effective player. We quoted budding new researchers such as Evans and Wurster (Blown to Bits) and Clayton Christensen in the Innovators Dilemma.
Our work was singled out in the typical esoteric fashion that comes from scholarly publishing. Some people—especially in the Land-Grant University world—began to respond. Then came Tom Friedman’s flat world thesis—arguing that digital connections worldwide would be a game-changer—and discussion became serious. And all of it was NOT positive.
Much of the early Christensen work focused on the technology industry—and indicated that those applying disruptive innovation to startups were likely to be successful, and those applying the same technology to sustaining enterprises were inevitably to be overtaken.

We were trying to apply that thinking to education and some of our nay-sayers said, “Not so fast.” What they were choking on was the idea that maybe to be successful long-term, we might need to operate relatively autonomously. We didn’t want to jump ship, but we needed some room make things work.
People in higher education, especially those on tenure track, are basically 30-or-more year investments. Preserving their investments, the traditional leadership high-jacked the concept we were suggesting and narrowed its focus to the much less disruptive arena of using technology to sustain their traditional version of higher education learning.
The irony today is that Christensen et al, Soares and his colleagues Sheets and Crawford, publishing the Center for America Progress, as well as Educause Review, are applying the concept of disruptive innovation to education and are beginning to suggest that maybe education is one arena that could actually disrupt from within. The reason for that appears to be that education as opposed to more commercial enterprises has a very diverse set of drivers and metrics for success. We have room to disrupt from within. The idea we posed 20 years ago finally comes home to roost.
In fact, public education’s adoption of disruptive innovation (in this case online learning) may only be successful if it is developed in part within the existing structure. Early efforts such as Fathom spearheaded by Columbia University, and efforts for independent efforts at University of Illinois Global Campus or efforts at the University of California, have been doomed for a variety of reasons, but one common issue is the lack of perceived influence on quality and therefore buy-in by the faculty of these institutions. That, of course, may be changing too.
But, disruption is disruption no matter whether it is internal or external or innovative or not. It is not the status quo, and that still makes many of the traditionalists among us very nervous. And as Christensen et al, Soares, Freidman, Sheets and Crawford and others suggest the innovative disruption that is likely to have one of the strongest impact on the success of higher education and our learners is online access.
80% of learners enrolled online are 25 years old or more

70% of higher education institutions offering online course do so to provide access to place bound learners

The market response by higher education must change. Butts-in-seats is really a supply side metric. We open a class room and they fill it looking for whatever it is we have to sell in whatever form we provide it.
As Sheets and Crawford point out, higher education must reconsider more intentionally our business model. As “experts” we have focused for years on the supply side. “We know what you need.” Know your audience really meant watching the birthrate and making sure 18 years later you had enough classroom space.

Now we’re being admonished to better understand our “value proposition” or our “value chain” and our “return on investment.”
...“provide new opportunities for higher education institutions to achieve greater economies of scope by offering more students a multitude of high-quality options at competitive prices.”

-Sheets and Crawford

As Sheets and Crawford suggest, all of our online options “provide new opportunities for higher education institutions to achieve greater economies of scope by offering more students a multitude of high-quality options at competitive prices.” Not your grandfather’s (or even your major professor’s) typical educational business proposition.
Let’s take a look at what we’re doing here at Oregon State University as an example of putting some of these concepts to work.

I’ll start off with a little advertisement. Our marketing campaign, that many of you in Portland may have seen focuses on our national ranking as an online university. We compare ourselves mostly to other Land-Grant universities, so there we rank among the top four nationally and eighth among all ranked.
#3. Colorado State University-Global Campus
#7. University of Massachusetts (UMassOnline)
#8. Oregon State University Ecampus
#14. Penn State World Campus
Here are the basic numbers...Ecampus at glance.
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It was in 2002 when we shifted our traditional Continuing Education effort to a renamed Extended Campus and began bringing our content into an online environment. By 2007 we had eight degree programs fully online and we’re growing at a relative constant level.

Then the economy tanked in 2008, and our enrollments started up—a typical situation where people in the workforce start getting more serious about becoming more competitive in the job market.

I had seen these roller coaster rides first hand. When I took over the reins of the Indiana College Network (at the time, Indiana’s version of virtual university) in 1998 we had 12,000 distance enrollments statewide, when I left in 2006 to return to Oregon State we had grown to 105,000 enrollments. If you ask any of my colleagues across the country what is the single most persistent challenge we face, it would be the active management of growth. In Indiana I had the feeling of just trying to hang on during the rapid growth. Here I in 2008/2009 I was committed to get out ahead of the curve.
The question at hand: How do we take advantage of the rapid growth (and revenue generated by it) so that when the inevitable downturn occurred, ironically because of the inevitable economic rebound, we can try to maintain growth?

Looking back to Rule Number One: Know your audience, and taking on the demand side business-model challenge more recently articulated by Sheets and Crawford, we began to ratchet up our investment in new product. We now have 33 degree and certificate programs online.

We looked at the demand our surveys had consistently shown among those 230,000 folks in our potential market and attempted to finesse and incent our colleges toward providing programs that specifically met the needs expressed.
As you can see we started to flatten out last year with an annual growth rate of 15% after four or more years of 20-plus percent growth. But this year we brought online a unique post baccalaureate degree, and I predict growth numbers at the end of the fiscal year in June will top 24%.
Sheets and Crawford point to three separate three core business functions that require different types of organizational expertise: (1) customer relationship management, (2) product innovation, and (3) infrastructure management.
Our CRM went on line this month...so we can “know our audience.”
Our efforts at product innovation are focusing on Open Education Resource learning modules which will bring us into the K-12 and international market as well as serve as our more realistic form of what the hype around MOOCs tries to address in providing greater access to learning.
And we are constantly addressing the infrastructure question by looking for more effective ways to embed analytics and other methods of creating personalized learning environments. This includes the possible partnership with Inside Track to offer the structured coaching for adult learners that will help ensure their success especially as they start back up in education.
And we do this all within the existing structure of higher education, which means we do things like commission research to help us define the needs and effectiveness of certain learning approaches. In a research that we funded, and was just reported out last week at an international Education conference in San Francisco, OSU faculty documented improved individual learning by students through sharing their thoughts with others. In the old days this would have been called “cheating.” Ah, the times are changing.
Let me offer a word here about MOOCs...the Massive Open Online Courses that have captured so much attention and hype. No discussion today about the forces facing higher education can be complete without at least noting the issue of MOOCs.

I am not a nay-sayer when it comes to MOOCs. Having faced the brunt of that in the past, I am not inclined to that path. However, nor am I planning to jump on the band-wagon so to speak.
The Educational Advisory Board out of D.C. has assembled this four-part analysis of the value of MOOCs to universities like ours.

Some are in because everyone else is, and “we can’t afford to be left behind.”

Some are in because it will enhance their brand identity.

Some are in because of the potential benefit to society of providing this kind of access.

Some are in because of what we can learn about learning.

It’s the last two that drive me to consider at MOOC approach.
As a Land-Grant University, we are all about access. That’s our mantra for 150 years from the time of Lincoln and Morrill. So providing expanded access worldwide is of significant interest to us.
And, what we can learn about interaction, crowdsourcing, peer assessment, and other learning based concepts in one 1,000 learner class versus 100 ten-learner classes is significant.

I went to hear Sebastian Thrun speak last October ready to hate the guy. I mean really? What an ego to think that your expertise would be of interest to 160,000 learners in one single structured class experience. Instead the opposite happened. I loved his message. It was all about student access and interaction. Scale is a by-product.
But the hype environment complicates things. He is going to have to monetize the process somehow. Coursera has reportedly spent $250,000 on a single class. I can put an entire degree program online for that price. Somehow we need to reconcile that difference. I want access to what Coursera or Udacity or edX are developing with that kind of investment.

Somewhere we all need to get access to the tools being developed that will help our learners be more successful whether they are in a 1,000, 100, or one learner cohort.

Stay tuned, Thrun did tell us after his presentation that some of the tools they are developing may be available soon. “Open Source?” I asked. “Well, maybe,” he said. We’ll see.
In reality, and very ironically for some of the long-time online providers who consider themselves the original disrupters, MOOCs have as much potential to disrupt our existing online programs as the universities as a whole. The monetization process, separating credentialing from instruction, or offering competency-based credit are all issues that have the potential to disrupt our online programs first.

Yet at the same time they are significant opportunities because to be as successful as our best programs are, requires a degree of nimbleness and innovative management. So who better to meet to meet this challenge and move it toward meeting the needs of our post-traditional learners?
Let me close today by offering us all a chance to imagine, to look ahead, to consider what will make a truly 21st Century public university successful.

Imagine with me what a truly 21st Century public university will become.

Imagine a place where faculty members and leaders listen as much as we talk, where we learn as much as we teach, where our strategic goals center on expanded Access to learning along with improved reciprocal Partnerships—both public and private—creating a new vision of Scholarship.
Imagine a truly 21st Century public university where instruction includes individual interaction with professors to many, many students learning together and interacting with world-class experts on campus and off. Where blended courses are the norm. Where students culminate their formal instruction off campus working from within the business, or non-profit, or corporate, or community location that they will continue in after graduation.
Imagine a university where online and blended education offers dramatically expanded access to learning. Where open access to learning modules can be assembled into customized individual learning opportunities.
Imagine a university where research is truly discovery. Where citizen science is recognized as having value. Where crowd-sourced problem solving is an effective tool. Where a research agenda is built by listening to the ultimate users of our science and solutions.
Imagine a university where outreach focuses on engaging and enabling communities—both of place and of interest. Where the new paradigm is one of access rather than distribution. Where we truly listen to members of communities to understand their backgrounds, how the community was formed, and the context of their needs. Where we listen as much as we talk.
Imagine a university where a semantic Web-environment provides unique and customized access to data and information in ways that shift to effectively meet the needs of individuals. Where the university serves as a convener of partners to solve problems...as much as the unique expert of the past. Where the university is a navigator in the vast sea of digital knowledge.
Imagine a university that fosters life-long learning so that students are true learners who although they graduate, never assume they have finished their education. Where student/learners move to an off-campus professional environment assuming they will maintain a learning connection to their home campus for new ideas and solutions to the challenges they face in their professional lives, and beyond. Where all individuals strive to be better at their jobs and lives tomorrow because of their access to learning.
A truly 21st Century public university—continuing to fulfill its long standing mandate to provide access to the vast university knowledge base—will be all these things and more. It will as different from its competitors and pretenders as it was at its inception. It will be the foundation for any all innovation that can be dreamed by the best and brightest both on campus and off.
As I close presentations like this these days, I like to show you pictures of my granddaughters.

These girls are likely to see the year 2100.

Will what you and I and all our colleagues forge for the future of higher education today provide them and their daughters and granddaughters and great granddaughters the learning environment that will make them successful in business and life?

I hope so, I really hope so.

Thank you.
As I close presentations like this these days, I like to show you pictures of my granddaughters. These girls are likely to see the year 2100. Will what you and I and all our colleagues forge for the future of higher education today provide them and their daughters and granddaughters and great granddaughters the learning environment that will make them successful in business and life? I hope so, I really hope so.

Thank you.