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The Future of ABC University and Blended Learning

Eighteen months after joining ABC University (ABC) as chief information officer (CIO), Rob Smith was pleased with the progress of the Information Technology Group (ITG). He was particularly pleased with the strategic relationship that ITG's Educational Technology Group[1] (ETG) formed with the provost, John Andrews. As a result of this successful relationship, Andrews had just given Smith a call to ask that he put together a thought piece on the future of blended learning at ABC.

Smith hung up the phone and began to reflect on the request: Provide an informative report for the upcoming Provost retreat that explores the future of technology in higher education programs and what it means for ABC's programs. After spending the greater part of the last decade designing and implementing e-learning[2] and blended learning[3] programs, Smith was delighted to have the opportunity to influence the School's conversation and strategy. After all, ABC was having a banner year and exceeding expectations. ABC's MBA program embraced ETG since its creation in early 2007 and a strong partnership had formed. During the last eight months, the MBA Program and ETG teams had made tremendous strides in blended learning culminating with the creation of the ABC Learning Nexus[4]. The Engineering school was expressing a real interest in reaching adult learners and the College of Liberal Arts was receiving acclaim for its curriculum.

Yet, with all of the success and momentum, Smith was concerned as he thought about the future. Given the powerful yet regional nature of the ABC brand, what should the e-learning response and utilization of technology look like at ABC? And what role should it play in the undergraduate program and graduate programs? Assuming a blended approach, what would be the real costs and benefits for ABC?

Clearly, there are many market and technological forces in play and the future is wide-open. On one hand, why do the educational programs need any technology? The faculty and programs are strong and the seats are full. Students want to come to ABC and being on campus is an important

[1] Educational Technology Group: A team within the Information Technology Group that is focused on the application of technology to teaching and learning.

[2] e-Learning: A general term used to refer to a form of learning in which the instructor and student are separated by space or time where the gap between the two is bridged through the use of online technologies (Wikipedia).

[3] Blended Learning: The combination of multiple approaches to learning. Blended learning can be accomplished through the use of 'blended' virtual and physical resources. A typical example of this would be a combination of technology-based materials and face-to-face sessions used together to deliver instruction.

[4] ABC Learning Nexus: A Web-based portal used to facilitate learning and community within the MBA program.

part of the experience. On the other hand, the world of education is changing rapidly. Time and cost pressures make it more difficult and less desirable for people to pursue a traditional approach to undergraduate and graduate education. Agile workers of today need to assimilate new information in real-time and apply it to the workplace. Anywhere, anytime learning is maturing, and with this evolution comes the integration of knowledge and talent management, along with professional development. Moreover, the School needed a way to engage with an increasingly global audience in a way that not only connected participants across time zones but also made the most efficient use of faculty time.

In formulating his response, Smith wondered if ABC would look the same in five years. What is the role of technology in this evolution? How would technology enable mass customization of custom content, without further taxing faculty time? Were organizations like IBM correct in believing that in the future, meetings and learning would take place in virtual worlds like Second Life? From an investment perspective, it looked like they were betting on this direction. Would knowledge management and learning finally converge as many had been predicting over the last decade? Were the pundits correct in believing that talent management and e-learning will also continue to converge? And most importantly, what makes sense for ABC during this time of transformation and opportunity?

ABC University

ABC University offers undergraduate degrees in liberal arts, business, and engineering located in the New England area. Its graduate school has a strong regional reputation and is best known for its MBA program. It also offers masters degrees in liberal arts, mechanical engineering and computer science.

ABC serves a traditional full-time undergraduate population as well as a full-time and part-time adult graduate population. Over the past decade the part-time graduate programs have produced significant contribution margins effectively subsidizing the cost of the full-time undergraduate programs. (See Exhibit 1 for financial details). More recently part-time graduate enrollments have been declining resulting in severe budget pressure. ABC is primarily tuition driven with a very small endowment. ABC believes that it is losing students to blended and on-line programs and is searching for opportunities to replace lost tuition that also enhance the institutional mission and brand.

ABC is located on a single campus and is comprised of three schools; College of Liberal Arts (CLA), School of engineering (SOE) and School of Management (SOM). Below are some key facts and figures:

	CLA	SOE	SOM
Undergraduate Students	1447	150	200
Full-time Graduate Students	0	50	150
Part-Time Graduate Students	392	735	439
Staff	50	30	50
Full-time Faculty	60	25	30
Adjunct Faculty	40	5	20
Course Load/Faculty	6	4	4
Classrooms	20	10	10
IT Support Staff	6	3	2
Instructional Designers	1	0	1
Learning Management System	Blackboard	Blackboard	Blackboard
Courses	120	35	50
On-line Courses	4	0	10

Market Conditions

Based on a market survey in the New England area, the follow observations were developed. In general working professionals who are interested in returning to school select their program based on the following:

- **Quality Driven (29%) –** These candidates have very strong SAT/GMATS/GREs and strong work experience with blue chip employers. They tend to be younger (23-25) and are looking for a top ten school with a national reputation. They are not interested in an on-line or part-time experience.

- **Convenience/Flexibility Driven (32%) –** While ratings are important to this group, they tend to want a degree in order improve their standing at their current employers. They are slightly older (30-35) with a good track record of achievement. SAT/GMATS/GREs scores are lower than the "Quality Driven" segment. They are reluctant to leave work in order to get their degree but want to make sure that they get a quality education.

- **Reputation and Graduation Results Driven (18%) –** This segment are career changers/accelerators but are open to either a part-time or full-time program. While they want a strong school they may not have the experience or SAT/GMATS/GREs to get into a top ten. They may also be reluctant to leave work for a full-time program. They are open to some amount of e-Learning but may not be interested in a fully on-line program.

A Decade of E-Learning

One could easily argue that the past ten years have been the era of e-learning. Gartner Group's early predictions of rapid growth have resulted in a $17 billion dollar[5] U.S. e-learning market. While initially e-learning was predicted to completely eliminate the need for face-to-face instruction, the reality is that face-to-face instruction continues to be the predominant delivery approach. But with the rise and acceptance of e-learning education, delivery has become more complex. Several modes of learning with technology have gained acceptance and developed into a robust market opportunity.

Online Learning Online, or pure e-learning, has grown in market size and acceptance. In this mode, learning is delivered either asynchronously or synchronously to a potentially global audience. In the asynchronous mode, instruction can be either instructor lead or self-paced. High-quality learning experiences tend to be a combination of asynchronous and synchronous and are instructor-lead.

Blended Learning Also known as hybrid learning, Blended learning has matured and is primarily utilized by institutions that are attempting to balance quality, participant access, and market growth. Blended learning combines face-to-face or residency experiences with online intersessions. Curricula are carefully orchestrated to maximize the delivery structure. In many instances, the blended mode creates a bias towards action learning[6] and team-based exercises during the residency and moves lectures, case studies, and the exploration of fundamental concepts to the online portion. Blended learning puts pressure on the residency to ensure that the time spent together generates outcomes and experiences that cannot be experienced online.

Classroom Extension Classroom extension using e-learning capabilities can be found on almost every campus and corporate university today. This approach supplements a primarily face-to-face experience with technology-enhanced learning to support the notion of an extended classroom. Techniques such as surveys and polls, multi-media cases, simulations, online knowledge centers, and participant-driven discussion boards extend the time and geography of the classroom. Many institutions begin with classroom extension as a way of addressing different learning styles and continuing the learning experience in an environment where younger participants and students are increasingly more comfortable.

Regardless of where a program lands on the continuum of classroom extension to fully online, the weaving of technology into the teaching and learning experience adds costs and complexity to curriculum design. The complexity of designing and delivering blended courses can be compared to

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[5] Global Industry Analysts, Inc., e-Learning: A Global Strategic Business Report, May 2008.

[6] Action Learning: An educational process whereby the participant studies their own actions and experience in order to improve performance. (Wikipedia)

the creation and delivery of a musical fugue. The course must flow naturally. At any moment in time the participants sense where they are in the course, understand what is expected of them, and feel the power of the learning. Failure to design and teach to the fugue results in learner dissatisfaction and defection. So while technology creates the opportunity to enhance teaching and learning, it also enhances the need for thoughtful, well choreographed design.

Thoughtful Design

As Smith continued to explore ideas for the ABC team, he became increasingly convinced that Stephen Laster's Thoughtful Design Model is the real lynch pin. While technologies are interesting, how they are assembled in a learning experience is the key or art of creating competitive advantage (see **Exhibit 2**).

Key ingredients start with the members of the design team and their ability to think through the lens of the learner and delivery faculty. Building a great program means knowing the audience. The use of technology and the level of the blend are influenced by the comfort and abilities of the learners to leverage technology. Will the target population uptake the experience? Are they comfortable with computers? Do they have time and access? What programmatic rewards need to exist so that people participate outside of the classroom? How do the traditional and technology-enabled activities create an outcome greater than the individual parts?

Smith knew from experience that participation is stronger in a cohort model. Cohorts combined with clear learning objectives and transformative, technologically enhanced activities move the use of technology from gratuitous to central in the design of the program. While working in the technology side of the blend, support services become critical. Beyond traditional technology support, learners need to have access to coaching in the event they get lost in the pedagogy. Minimally, learners and faculty require a clear, easy to navigate environment where the technology fades to the background and the learning emerges as the key focus. Feedback and real time adjustments create learner loyalty and aid in enhancing participation. Leveraging the immediacy and instant access to information in a Web 2.0[7] world could cement the power of learning in a technology-enabled program. And, of course, using technology to ease access to learning is always a plus.

Smith had learned through his work at the Sloan Consortium of Online Learning[8] that thoughtful program success can be measured against five key pillars:

- **Learning Effectiveness:** Are the students achieving the outcomes
- **Cost Effectiveness:** Are the delivery costs appropriate
- **Student Satisfaction:** Are the students satisfied with experience and outcomes
- **Faculty Satisfaction:** Do faculty support the program design and enjoy teaching in it
- **Access**: Does the design result in the appropriate amount of market access for potential students

[7] Web 2.0: A term describing the trend in the use of World Wide Web technology and Web design that aims to enhance creativity, information sharing, and, most notably, collaboration among users. (Wikipedia)

[8] Sloan Consortium for Online Learning www.sloan-c.org

In developing a program that integrates learning technologies, the pillars serve as useful guideposts to ensure that the blend or utilization of technology is creating real value and not just adding cost and complexity.

Looking Forward

As Smith put the finishing touches on his report, he pondered what really made sense for ABC. Clearly, ABC was sitting at potentially transformative moment. Thanks to the maturation of the Web and supporting technologies and techniques, there was an array of opportunities to meet the educational challenges of a time-starved world, while continuing to deliver world-class education. But what will the true needs be now and five years from now? What is the role of the faculty five or ten years from now? What do we do today to ensure success now and in the future? Smith new that whatever ABC decided it would have profound effects for years to come.

Exhibit 1 – Financial Statement & Enrollment Data

ABC University								
(in $000s)								
Revenues			2006	2007	2008			
	Undergraduate Tuition		60,000	62,400	64,896			
	Graduate							
		Liberl Arts	20,000	20,800	21,632			
		Engineering	40,000	41,600	43,264			
		Business	40,000	39,000	38,000			
	Annual Giving		5,000	6,000	4,500			
Total Revenues			105,000	107,400	107,396			
Expenses								
	Financial Aid							
		Undergradua	10,500	12,000	12,000			
		Graduate	5,250	5,460	5,678			
	Total Financial Aid		15,750	17,460	17,678			
	Salaries							
	Head Count	Liberal Arts						
	100	Faculty	12,500	13,000	13,520			
	50	Staff	5,000	5,200	5,408			
		Engineering						
	30	Faculty	3,750	3,900	4,056			
	30	Staff	3,000	3,120	3,245			
		Business						
	50	Faculty	6,250	6,500	6,760			
	50	Staff	5,000	5,200	5,408			
	50	Central Admi	6,250	6,500	6,760			
	Total Salary and Benefits		41,750	43,420	45,157			
	Other		18,000	18,720	19,469			
	Depreciation		8,000	8,320	8,653			
	Plant and Equipment		15,000	15,600	16,224			
	Information Technology							
		Equipment	2,000	2,080	2,163			
	20	Salary	2,500	2,600	2,704			
Total Expenses			103,000	108,200	112,048			
Net Contribution			2,000	-800	-4,652			
Starting endowment			40,000	46,000	47,500			
	Income		4,000	2,300	-5,000			
	Transfer from Operations		2,000	-800	-4,652			
Ending Endowment			46,000	47,500	37,848			

Enrollment Data

	2006	2007	2008
Undergraduate	1,200	1,189	1,177
Grad Liberal Arts	400	396	392
Grad Engineering	800	792	785
Grad Business	800	743	689
Total	3,200	3,120	3,044

Exhibit 2 A Model for Successful Blended Learning

Over the past eight years Stephen Laster developed the model below as a mechanism to support program and course design. The model encourages the design team to explore the major elements of successful delivery. In this model, Laster argues that success is rooted in thoughtfully weaving the contributing elements into a seamless learner experience.