

The Corporate Educators
are Coming...

Will They be the Real
“Game Changers” in
Online Learning and
Post-Secondary Education?

2012

What a month October 2012 has been in the world of corporate educators!

In October, Pearson, the world's leading learning company, announced that it would acquire EmbanetCompass, a company which partners with post-secondary institutions to provide fully online learning solutions for more than 100 university programs, for a whopping \$650 million – in cash. Its stated reason: great opportunities for growth and impact in online education and educational services.

Also in October, the Apollo Group announced that, due to decreased earning and enrolments, it is shutting down 115 (or more than half) of the for-profit University of Phoenix's learning centres and campuses, leaving only 112 locations and resulting in 800 job cuts. In response to student demand, part of the \$300 million in savings will be used to invest more heavily in the company's online learning platform.

Throughout 2012, elite universities have joined consortia to offer courses in their particular areas of expertise as Massive Open Online Courses (MOOCs) to hundreds of thousands of students from around the world free of charge.

Let's go back a bit to put all this in perspective and posit some consequences for our online learning sector here in Ontario – a sector which needs to consider and respond to the far-reaching impact of these corporate transformers. First, let's add a bit more information on activity in the corporate and venture capital world and their possible consequences.

Pearson

Working to expand its digital education capacities, in only the first ten months of 2012, Pearson has bought not only EmbanetCompass, but also has:

- Been selected by the California State University to launch Cal State Online in January 2013 with a selection of graduate degree completion and professional Master's programs, using Pearson's online technology, services, and support;
- Announced plans to launch an online university in Mexico; and
- Issued multimedia textbooks and reference titles for the iPad, with content enhanced with video, audio, assessment, interactive images, and 3D animation.

Pearson's recent international acquisitions include Tutorvista, an Indian online education group, and the learning system arm of Sistema Educacional Brasileiro (SEB) of Brazil. These all extend the massive content, assessment, service, and system capacity that Pearson has developed for online learning at all levels.

Strategically, Pearson is shifting from being a publisher of books and newspapers to being a global knowledge management company focused on learning. It now owns schools and colleges, and partners with educational institutions to design, develop and deploy online and blended learning programs.

Massive Open Online Courses (MOOCs)

Another sign that commercial interest in post-secondary online learning is growing is the investments being made in start-up ventures based on MOOCs. In the past few months, more than \$110 million has flowed to start-ups like Coursera, The Minerva Project, and StraighterLine. In 2011, individuals and US venture capital firms invested nearly \$430 million in such companies.

A prime example is the recent creation of Coursera by two Stanford professors. This platform for elite international universities – including Princeton, École Polytechnique Fédérale de Lausanne, CalTech, University of Edinburgh, and the University of Toronto – offers free courses in subjects from software engineering to aboriginal worldviews and education. Coursera has enrolled more than 1.5 million students since it was launched, and has more than doubled – from 16 to 33 – the number of its partner universities. It plans to offer more than 250 Massive Open Online Courses.

One current challenge for Coursera is the lack of credits – offering, instead, letters of completion, often signed by the instructor, for those who successfully pass through assessments.

What are the Possibilities?

What are venture capitalists and the private sector seeing? They are seeing that education and certification will continue to be critical conditions for employment in the knowledge economy.

Most demographers today predict that the demand for a post-secondary education as a pre-requisite for employment will grow. Linda Duxbury of Queen's University suggests that some 77% of the workforce will need a college or university qualification by 2020 – up from the current Canadian workforce average of 60%. As the design and development of online courses gets easier

– more tools, simpler software, more freely accessible resources that course designers can use in their materials – the attention of corporate educators and venture capitalists is becoming more focused on assessment and accreditation.

New money is flowing to adaptive assessment technologies – assessment linked to course materials which adjusts what the student learns by their assessed competencies – and to methods of assessing informal and self-directed learning. New organizations will emerge in the next two to three years that broker and aggregate credits for students and arrange transfer.

Many are seeing the arrival of the private sector at this large scale as “game changing” for public education. Let’s create a few scenarios for possible educational futures:

Imagine: A future in which Pearson and Google partner to dominate online learning resource provision – powerful and effective course development and delivery software, a large array of low-cost or free-to-use courses, textbooks, video, audio, simulations and games all linked to the flexible use of their massive content libraries. The business model would be built around the provision of credits in a multitude of formats.

Imagine: A new merger creates Google Phoenix, bringing together Google Scholar, Google apps, the University of Phoenix online curriculum, and a growing collection of digital learning objects, all shareable through the Google Plus collaboration network. In addition to the UPhoenix credits, Google Phoenix also creates a digital badging system, awarding the kind of credential that a college degree once conveyed.

Imagine: Disney, Sony, and Apple complete a merger, incorporating the iTunes library, Pixar studios, theme parks, the Sony gaming division and the extensive Columbia Pictures film archive. The Disney Foundation begins to acquire a number of struggling campuses worldwide, promising to invigorate them with Disney magic and to develop a catalogue of courses that will entertain while they educate.

These scenarios may seem extreme but, three years ago, who would have imagined an online course with 160,000 students around the world as Coursera is currently realizing?

Assessment as the New Profit Centre

What may be developing in front our very eyes is a future in which a great many learning activities are free or low cost to students, thus lowering the cost of post-secondary education. Assessment centres for accreditation are where corporations see their profits.

While some learners will settle for the type of recognition currently offered by MOOCs, others will want accreditation, for which they will pay. Colleges and universities would then award certificates, diplomas and degrees, not on the basis of study at that institution, but on the basis of credits accumulated and externally assessed. We can see Microsoft or Oracle developing analytics which permit such assessments and accreditation to happen seamlessly and quickly.

Change Being Driven From the “Outside in”

Coming soon are major peer networks of faculty, students and knowledge workers, sharing learning materials freely in an open source way, building on the success of Wikipedia and iTunes University, while collaborating on new programs and courses. This will become more and more effective over time as the tools for course building and development become easier to use.

The return on investment will come from specialized content, assessment, and accreditation and the awarding of credentials. Globally respected institutions will do well, but those who have weak global reputations or are small “no name” players in an increasingly global market will struggle. This is part of the “game changing.”

Don’t expect to see private universities and colleges growing and expanding in Ontario. They don’t need to. Students will chose their courses and programs from around the world, based on estimates of quality and price. Growth will come in the form of flexible assessment and transferable credits. That is the real bonus and challenge of these developments.

These developments are “the elephants in the room” when discussions take place amongst public sector institutions and government agencies. Yet it is exactly these developments that will lead students to look elsewhere for their choices and options.

Change is coming – It’s just being driven from the “outside in.”