The Learning MarketSpace, July 1, 1999

The Learning MarketSpace, written monthly by Bob Heterick and Carol Twigg, is a publication of The Leadership Forum at the Center for Academic Transformation. The Leadership Forum also offers workshops, seminars and consulting services designed to advance the growth of knowledgeable people to lead their institutions, companies and organizations in the Information Age.

Be sure to check out our first two seminars: "What Trustees and Policy Makers Need to Know about IT," to be held September 29 in the Washington, DC area; and "The Learning Marketplace: New Resources for Teaching and Learning", to be held November 11 in Atlanta, Georgia. Details are available at the end of this issue.

Welcome to the inaugural issue of The Learning Marketspace!

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THE LEARNING MARKETSPACE

Every business and organization today operates in two worlds: a physical world of resources that we can see and touch and a virtual world of information. Jeffrey Rayport and John Sviokla from the Harvard Business School have coined the term "marketspace" to distinguish this new information world from the physical world of the "marketplace."

A few examples illustrate the distinction. When consumers use answering machines to store their phone messages, they are using objects made and sold in the physical world. When they purchase electronic answering services from their local phone companies, they are utilizing the marketspace—a virtual realm where products and services exist as digital information and are delivered through information-based channels. Banks provide services to customers at branch offices in the marketplace as well as electronic online services to customers in the marketspace. Airlines sell passenger tickets in both the "place" and the "space."

When students arrive on campus as freshmen and move into residence halls, they enter the physical world of higher education. When they access the Web to write a research paper and communicate with their professors via email, they move into the learning marketplace. Universities provide educational services to students in classrooms and they offer online courses via the Internet. Bookstores sell learning materials in both the "place" and the "space."

Organizations and companies need to pay attention to how they create value in both the physical world and the virtual world, say Rayport and Sviokla. But the processes for creating value are not the same in the two worlds. By understanding the differences and the interplay between the value-adding processes of the physical world and those of the information world, we can see more clearly the strategic issues facing our organizations.

Managing two interacting value-adding processes in the two mutually dependent realms poses new conceptual and tactical challenges.

The Learning MarketSpace will focus on the "space" of higher education, taking account of the interplay between the space and the physical world of the campus. Our conviction is that the space will increasingly dominate the world of higher education, and our goal is to help institutions and companies navigate the transition from one world to the next. Commentary and analysis in each issue of The Learning MarketSpace will be organized around six themes. Here's a preview of what's to come.

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CORPORATE/HIGHER EDUCATION COLLABORATION

What do we know about the learning marketplace? Well, for one thing, it's going to get crowded. In addition to most of the 3600 institutions of higher education seeking to be players in this space, corporate entities—both new and existing—are rapidly entering the fray.

While some companies intend to compete head-to-head with existing institutions, most of the current players seek collaboration with colleges and universities. Thus, the space offers unprecedented opportunities for our institutions to re-think the ways in which they do business. They will, for example, be able to focus on their core competencies—the two or three things that they do better than anyone else in the world—and then outsource non-core competencies to a flexible network of service providers.

Our institutions have stopped re-inventing the wheel when it comes to administrative applications and automated library services, and we believe the same thing is beginning to happen in the instructional arena. Future issues will track these developments and analyze the risks and rewards of corporate/higher education collaboration.
NEW DEVELOPMENTS IN TECHNOLOGY

New developments in information technology, whether in the form of a specific technology or as a major modification in the shape of the industry, will sometimes have a startling impact on academic practice.

Continuing competitive price reductions leading to the under $500 personal computer and industry mergers of telephony and cable accelerating the availability of broadband access will renew discussions of university-sponsored PC labs vs. student ownership. New standards for courseware presentation such as the IMS may lead to both new courseware suppliers and modified thinking about outsourcing.

We will look at these and other issues surrounding new products and services in future issues of the Learning MarketSpace. Our goal will be to spot the significant trends and developments that change the dynamic of the use of technology in teaching and learning and force a re-thinking of our assumptions about academic practices.

VIRTUAL UNIVERSITY INITIATIVES

The worldwide higher education landscape is experiencing an explosion of interest and activity in creating virtual universities. In most cases, traditional institutions are extending their campuses into the space by replicating the processes of the place, seeking to compete primarily on brand recognition. These efforts, we believe, will have limited success for they fail to take full advantage of the space.

In contrast, we are beginning to see examples of value-added educational processes that do take advantage of the space. These include online tutorial services for students in need of remediation, examinations to assess various kinds of student learning, credit "banks" that serve as transcript centers for students' accumulated and disaggregated learning experiences, new services analogous to Consumer Reports that evaluate the quality of competing online offerings, and net-based learning modules that can be mixed and matched to suit a learner's individual needs.

In future issues, we'll be tracking virtual university developments, but we won't be reporting the news that can be found elsewhere. We will assess potential winners and losers and give you the reasons behind our thinking. Even if you don't agree with our conclusions, perhaps we may cause you to think about things a little differently.

COST CONTAINMENT

There are two principal interests in information technology as it applies to academic practice--quality improvement and cost containment. The former tends to be of interest to just about everyone. The latter sometimes has difficulty in discovering a champion.

Institutional administrations are frequently too focused on revenue enhancement and insufficiently attuned to the possibilities of cost containment. Most institutions carry their public "spin" on costs into their private strategizing failing to face up to the high cost of postsecondary education--even in public institutions. Simultaneously reducing costs while improving quality is generally not discussed. Our institutional structures leave faculty with a major stake in instructional quality and no investment in cost containment. Entrepreneurial strategies to unleash the intellectual capital of the faculty are hard to find.

We will be taking a look at topics ranging from the staggering debt burdens of graduates to the accelerated use of adjuncts and contract faculty to examples of successful cost containment efforts through the use of technology.

ON-CAMPUS CULTURAL RESISTANCE

As the full impact of information technology on academic practice begins to be appreciated, we can expect that inertia, in the form of cultural resistance, will begin to rear its head. This is most often thought of in the form of faculty backlash but in truth, it is engaged in by the entire institutional structure.

To be sure, some faculty--but by our observation not as many as might be expected--appear to be resistant to the changes made possible through the use of information technology. Characterizations of distance learning as the "5-minute university" are symptomatic of this trend. It is our view that much of this perceived resistance can be traced to the misalignment of institutional intentions and the set of faculty rewards currently in effect. There are significant issues of copyright, institutional support structures (often in the form of insufficient development funding), and lack of appropriate "profit-sharing" mechanisms to name just a few.

We will, in future issues, be looking at a plethora of topics that impinge on the issue of cultural resistance--accreditation, for-profit educational models, surveys ranging from Yahoo to US News and World Report, assessment, copyright and the like.

PUBLIC POLICY ISSUES

One thing is clear: public policy designed to regulate the place becomes meaningless in the space. The
explosion in online offerings has forced policy makers to play catch-up in this rapidly changing environment.

Today, the public policy debate surrounding distance and distributed learning is clustered around two primary questions: how do we assure quality and is competition a good or a bad thing for higher education. In both cases, how the question gets answered depends on whether you are standing in the place or the space. As an example, traditional quality assurance measures like regional accreditation or the amount of student-faculty interaction become less relevant in the disaggregated, disintermediated world of the space. More refined approaches and new techniques for assessing learning effectiveness are required.

In future issues, we will focus on those public policy issues with implications for the learning marketspace. In each case, our goal will be to help you think about these issues from a new perspective.

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UPCOMING LEADERSHIP FORUM EVENTS

What Trustees and Policy Makers Need to Know about IT
September 29, 1999, Washington, DC
Moderators: George Connick and Carol Twigg

A not-to-be missed session for institutional trustees and other policy makers involved with higher education. Building on a monograph recently published by the Association of Governing Boards, Strategic Investments in Information Technology: What Trustees Need to Know, and The Public Policy Implications of a Global Learning Infrastructure, a monograph published by Educom and SHEEO, this seminar will provide insight into IT’s key role in the major issues of access, quality and productivity that are facing higher education today.

The Learning Marketplace: New Resources for Teaching and Learning
November 11, 1999, Atlanta, Georgia
Moderators: Bob Heterick and Carol Twigg

An increasing number of companies are entering the higher education market, offering a growing variety of commercial products and services to support network-based teaching and learning. At this workshop, the leading providers of such products and services will participate in a moderated discussion. If you are involved in decisions regarding expenditure of funds for teaching/learning services and products, you can’t afford to miss this workshop!

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