THE DOT-COM BUBBLE

It has been difficult, these past few months, to pick up a newspaper or magazine without reading something about the "dot-com bubble." One might easily be led to believe that all the dot-coms have gone belly-up, the flash in the pan has flashed and the end of the Internet is nigh.

There is no doubt that many of the dot-com stocks were over-priced and over-hyped. Not the least among the reasons is the tendency for venture capitalists to pursue the "let a thousand flowers bloom" strategy--fund lots and lots of dot-coms and if one in a hundred makes it big, the venture capital of all is returned several times over.

The stock market adjustment of the past few months has caused the demise of many of the over-hyped entrants among the dot-coms. For those that are left, over-priced seems hardly the words one would use in describing them. Many have had to make significant cuts in staff in order to weather the storm. As was predicted some time ago, those dot-coms that built a business case around advertising click-throughs were the worst hit. It is now abundantly clear that something more than flashy graphics is required to sustain an e-business.

Left standing when the market scythe mowed down the fledgling dot-coms were a number of enterprises with sensible business plans, a real customer base, and a service that offered real value to consumers. eBay, Amazon, and the like, have weathered the bursting bubble and, short of major management gaffes, should remain viable businesses for a long time to come.

A number of e-business serving higher education can be counted among the dot-coms. Interestingly enough, a number of them have never gone public. Whether this is due to strategic intent or the softness of the IPO market is not easy to tell. Public or private, the real question is whether or not they have staying power. Do they have a sensible business plan? Is there a real customer base for their services?

They are a sufficiently varied and diverse lot that it is difficult to make generalizations regarding them. They range from companies that promise to "get your course on the net" to companies that design, build and market full courses of study, sometimes including ancillary services like testing. Few of them have decided to go "head-to-head" with colleges and universities in offering degrees. One has only to open the pages of a publication such as the Chronicle of Higher Education to observe that there are still many of them and that they advertise heavily, if not selectively.

The two key questions about business plans and customer base are linked in an uncomfortable way. Colleges and universities have been the very last to avail themselves of the potential of outsourcing. Their business models have been predicated on the operation of a vertically integrated set of businesses secured by a captive market. While some have made the move to outsourcing bookstores and dining halls, those moves came very late compared to their private sector counterparts. We have noted before that most institutions only grudgingly entered the outsourcing market for complex software systems for libraries and back office, administrative systems.

In all the aforementioned cases, the impact of the outsourcing decision was felt by a reasonably small portion of the institutional staff. Few, if any, of the outsourcing decisions had anything other than a very secondary impact on faculty and existing teaching programs. The dot-coms working the teaching/learning marketplace have to consider the reaction of the faculty to their product initiatives. Most have chosen to present themselves as organizations in the business of supporting, rather than competing with, the faculty. Many have chosen marketing strategies that have a great deal of similarity with those of the historic textbook market. That is, they market their services directly to the faculty.

A very few have chosen to market complete courses and the ancillary services of student consultation, testing, etc. When these services are offered to adult learners in non-degree, not-for-credit, situations the friction with campus faculty is minimal. Most have tried to minimize this friction and down play the competitive aspect of their services. For these businesses, the student is the target of their marketing strategies.
Still others have cloaked themselves under an umbrella that features major consulting services to institutions of higher education. While they may offer software for course building, back office system connectivity and hosting, they "sell" their services through the medium of consulting. These companies generally view some administrative focal point as the target for their marketing efforts.

Whatever their strategy, it is highly influenced by their view of the acceptability of their product line to current campus faculty. They basically attempt to market little more than they believe will be accepted by the bulk of the faculty.

We might consider an analogy. Suppose eBay had decided to market its product to the editor of the classified section of daily newspapers. Suppose Amazon had decided to market its product to the hundreds of independent bookstores around the country. Would they have been as or more successful than they currently are in marketing directly to the consumer? For the learning marketspace we might ask if the application service provider route is the way to success or will content be king and the application services simply a bundled service thereof.

Without doubt there is a great deal of intellectual capital in all these companies. The future for some is undoubtedly to be acquired by their older and larger cousins in the higher education market—companies such as SCT, PeopleSoft and Datatel. For others, who don't match well with the Internet economy, the future is less bright.

In the long run (John Maynard Keynes comment that "in the long run we are all dead" notwithstanding) it seems to us that those companies that produce a product that appeals directly to the consumer (the student) have the greatest likelihood of success. The question, as it always is in the market, is timing. At what point will the consumer of teaching/learning services find it equally appropriate to go to the Internet as to the campus?

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RE-INVENTING THE WHEEL

Why use information technology in the academic program? One of the primary reasons is because IT enables you to do things that are not possible without it.

Many of our current instructional practices exist because heretofore there was either no other way to accomplish the goal in question or because the practice was the most effective of those available at the time. Information technology allows us to re-examine those practices and see if it's possible to make improvements.

Let's consider a common practice in higher education: offering large, introductory courses by means of multiple-sections. Most introductory courses in the U.S. are offered via this model: breaking the course into individual classes that meet three hours a week, each taught by one instructor. The reasons are both theoretical and practical. Many, if not most, people in higher education believe that students learn better in a class of 30 than in a class of 300. (What's extraordinary to us is that many persist in believing this even if the pedagogical format in the smaller class is the same as in the larger class: a stand-up lecture.)

Practical reasons include limited availability of large classroom space on most campuses; faculty preference for the autonomy offered by individual classes; the thought that more offerings at varied days and times encourage greater access and/or higher enrollments; the need to control the amount of grading required of each instructor for subjects like English composition or in institutions with no graduate teaching assistants; and an interest in enhancing institutional image by being consistent with the public's notion that smaller is better. There are probably more reasons, but you can see that the multiple-section model has a lot going for it.

Oh yes, and we've always done it that way.

The multiple section model is not without its problems. The first is that it suffers from a lack of quality and consistency. On most campuses, there is little or no coordination among sections. While some courses have common goals and a few have common textbooks (although many do not), most let a thousand flowers bloom. There are rarely common assignments or common learning activities; there are rarely common examinations to measure whether common goals have been achieved. A laissez faire attitude about these differences prevails, making the achievement of common learning outcomes a practical impossibility. Observers of this phenomenon call it "course drift." Cut loose from a departmental vision, each section is directed by an individual with his or her own idea about what learning outcomes are to be achieved and how best to attain them.

In order to control costs, most institutions utilize a variety of part-time, adjunct instructors and/or graduate teaching assistants to teach these classes. Full-time faculty frequently teach only a minority of the sections. Rarely is there any kind of ongoing conversation among instructors about how to improve quality. If one instructor has developed a particularly successful approach to a topic, there is no way to share that knowledge other than by happenstance. The result is no ability to continuously improve the course.

The multiple section model suffers from a number of resource problems as well. In many subject areas (math, science, accounting, information technology) and in non-urban locations, finding high-quality adjuncts is becoming increasingly difficult. Because each instructor independently designs the structure and develops both instructional materials and evaluation instruments for his or her section, reinventing the wheel is brought to new heights. Everyone teaches more or less the same thing, regardless of the individual's academic strengths or interests.
Information technology allows us to re-think the multiple-section model. By using IT to support a reconfiguration of the course—its overall structure and the use of all instructional resources—we can make radical improvements in both the quality and cost of how we teach. The key to these redesigns is a commitment to collaboration and coordination among all faculty teaching the course. Once that commitment is made, IT enables instructional resources to be collaboratively developed, captured, stored, shared and continuously revised. This reduces the time each instructor must spend in developing materials, allowing more time to work directly with students, and provides a basis for enhanced collaboration among students and faculty through shared content and enhanced online communication opportunities.

Here are three examples of how institutions are moving from a multiple-section model to a common approach supported by information technology:

* Cal Poly Pomona is redesigning its introductory psychology course. Collaborative resources under development include 18 video modules available through streaming video and broadcast television; a guidebook; a custom text; an interactive CD with problem-centered tutorials covering key topics that links directly to the course Web site; and a data bank to store publisher and faculty test questions in order to offer individually-generated, randomly-assigned testing.

* Riverside Community College is redesigning Elementary Algebra using a commercial software program ALEKS that generates individualized assessments and customized learning sets that identify exactly what the student is most ready to learn at a given moment. Students then work through the customized sets, building momentum, confidence and, ultimately, subject mastery. The software integrates with a computer-based testing system and a built-in student management system. Faculty also offer optional Spotlight Sessions—intensely focused vignettes on known student trouble spots—several times each week. Other resources include a Math Collaboratory—an interactive lab for active, hands-on, individual and collaborative learning.

* George Mason University plans to redesign its Western Civilization course. Collaborative resources to be developed include a series of multimedia lectures and active learning projects that will give students the advantage of learning about a particular aspect of Western Civilization from a faculty member who is an expert in that area. As they are developed, they will be reviewed by all faculty so that the group as a whole develops greater knowledge of what’s available. When complete, they will be placed in an online library for all faculty to draw on for course assignments and projects.

As you read these descriptions, doesn’t life sound more interesting for both the students and the faculty? Before redesign, faculty at each of these institutions were laboriously re-inventing the wheel, and students were dropping and/or failing at rates ranging from 25 to 50%. Now the faculty are working collaboratively to implement a common vision and to improve the whole course, re-directing their energies from repetitive activity to innovative, ongoing development.

(If you want to learn more about how to leave the multiple-section model in the dust, please check out the examples from the Pew Grant Program in Course Redesign at Project Descriptions Sorted by Degree of Success and Outcomes Analysis.)

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UPCOMING LEADERSHIP FORUM EVENTS

STATE-OF-THE-ART LEARNING ENVIRONMENTS: LESSONS FROM THE PEW GRANT PROGRAM IN COURSE REDESIGN

December 3, 2001, Orlando, Florida
February 25, 2002, Dallas, Texas

Co-sponsored by the Executive Forum in Information Technology at Virginia Tech

This seminar will present results from the second of three rounds of the Pew Grant Program in Course Redesign. Learn from faculty project leaders how to increase quality and reduce costs using information technology. Faculty from four institutions will talk about their models of course redesign, including their decisions regarding student learning objectives, course content, learning resources, course staffing and task analysis, and student and project evaluation. These models provide varied approaches that demonstrate multiple routes to success, tailored to the needs and context of each institution.

These seminars provide a unique opportunity for you to:

- Learn firsthand how to increase quality and reduce costs using information technology from successful faculty project leaders.
- Find out how to design learning environments for the future by tapping the expertise of those who have done it.
- Talk with experienced faculty from multiple institutions about how and why they made their redesign decisions.
- Move beyond "today" and learn where on-line learning is going . . . find a model that will work for your institution.
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