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Success Versus Value: What Do We Mean by the Business of Online Education?

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- There is a need, a market, and a moral imperative to be entrepreneurial when it comes to developing and delivering online education.
- The old model is utterly irrelevant to the vast majority of students.
- Educators can apply some business principles in creative ways that help maximize mission rather than profits.
- Competitors can find stable places from which it makes more sense to cooperate.
- Working cooperatively with employers, higher education can be available to any employee.

"Try not to be a man of success, but rather one of value" – A. Einstein

I. INTRODUCTION

Given the diminishing resources of colleges and universities and the increasing complexity of the demands placed on them, those of us who lead online programs and institutions are joining our face-to-face peers in exploring how to make our schools more like businesses. However, the goal of education as a business, at least as it is widely understood, is not the path to take. We need to understand, to paraphrase Clark Kerr, what the uses of online learning are [1]. Therefore, before this paper begins to describe the skills that can make us better educators, I will put forth a sort of manifesto about the business of education.

We need first to define *business* and then explore whether a university meets the definition. Milton Freidman argues that the primary responsibility of a business is to maximize its profits [2]. In contrast, Derek Bok outlines the social responsibilities of a modern university to make two points: "universities are concerned with education [3]," and "like churches, universities experience the constant tensions that result from embracing transcendent goals and ideals while having to exist and be of service in a practical, imperfect world [3]." Henry Hannsmann explores the rationale for exempting nonprofit organizations from corporate income tax on the basis of the public good [4]. Hank Levin has written about the inefficiencies of teaching and learning [5]. Although many have argued eloquently that Freidman's notion is not a good fit for universities because we are different from businesses, yet we feel compelled to talk about the "business" of online learning as if to justify our existence.

At the 2003Association for Continuing Higher Education annual conference, the central focus of the town meeting was the "attack" on adult education [6]. Ortman notes that while nonprofit colleges are closing, for-profit education is on the rise [7]. Simultaneously, there is a rise in corporate universities [8], and more recently we have learned that these entities are applying for accreditation and that fourteen can already confer degrees [9]. Despite research from economists that consistently demonstrates the value of higher education, we sense that non-profits are under the gun to justify our existence and the public's allocation of resources to our institutions.

To paraphrase Langston Hughes, to prevent dreams from being deferred, we need to redefine who we are and what we mean. We are accountable to many more stakeholders than Friedman's shareholders, and as Bok notes, we serve many purposes, thus he uses the term *multiversity* [3]. The service a business offers is a means to an end, which is profit. For higher education, education is seen as an end in itself. There are logical reasons for having universities behave like universities rather than corporations.

In higher education, what we really mean when we refer to the value of business principles is more in line with the notion of entrepreneurship, a notion more closely analogous with *champion* than with *business*. Because the public entrusts us with its resources and because we are concerned with providing the best education to the broadest number of people given the constraints both of our mission and our budgets, it is time for us to explore where we might apply some business principles in creative ways that help us champion and maximize our mission rather than our profits.

When using the business analogy, online educators should note that we have already solved the biggest issue faced by business: collectively, we have created a new way of learning, a new production function. That is the most valuable contribution we have made, and quality should continue to be our central focus. A wide body of literature exists that helps us think of learning in economic terms. Researchers such as

Hank Levin have promoted the idea of conceptualizing learning in terms of economic production [10]. Educators take a host of inputs and create an output or outputs. For a long time, there was only one way to teach, and the primary driving force on what we could do was really budget constraints—that is, what we could afford to pay faculty and how small we could afford to make class size. Online learning has enabled us to conceive and deliver learning using a new "business" production process that combines the essential elements of learning in a different way. Putting aside costs for a moment, educators are more advanced than we realize because we have the right product from an educational standpoint. We know that there are no significant learning outcome differences between face-to-face and online learning; we have a good product. Now we must figure out how we can convey the importance of that product and sustain its impact outside our walls.

To continue the analogy, the business principles we want to explore can be thought of as skill sets that map to any college's MBA curriculum. A fundamental part of the MBA curriculum is the admission process, where students opt to study business; the choice implies interest as well as talent, or what we might call acumen. The history and culture of higher education is based on the notion of conservation and preservation, which is squarely juxtaposed to the history and culture of business. Educators need to maintain our values and also cultivate a sense of urgency and a child's sense of both tenacity and wonder, all traits that make for the successful entrepreneur. Although suggestions for cultivating these talents and values are beyond the scope of this paper, I believe that without them, honing business skills will do little to change the shape of higher education.

Before I explore the skills that will help us do more with less, I want to comment briefly on structuring for purposeful innovation. The first is structure, and I will only mention it in passing because another paper in this book will explore the issue at length. New York University has a structure that facilitates entrepreneurship; the way the school is set up allows NYU's School of Continuing and Professional Studies to be the incubator of new ideas within the university. More important, though, the dean embodies entrepreneurship, and having a leader who "gets it" is more important than any structure. Nonetheless, we need to rethink how we organize ourselves in ways that allow us to meet students' needs. Whether you like the term *market* or are more comfortable with being *student-centered*, we should explore restructuring ourselves in order to respond better to student (market) needs.

The downside to innovative structure, however, is the risk of marginalization. We need to ensure that when we restructure ourselves in order to be nimble and innovative, we don't cut ourselves off from the core mission of the university. While it may be bureaucratic and inefficient, we need to be tethered to the university in order to maintain our relevance; we must take on the much harder task of pushing our agenda through the current structure. We should be concerned when colleges, in the name of flexibility, distance themselves from their online programs by creating separate institutions in which to house them.

A final word of caution in our journey toward innovation: we must keep the "why" in mind in whatever we do, and we must also be moral in the "how" of what we do. In these tough times, and particularly in education with its focus on outcomes, we must remember that the process by which we do things must be in line with our mission and have inherent value. Corporations are learning that the exclusive focus on outcomes advocated by Friedman and others is not viable and that doing the wrong thing (for example, polluting or manipulating numbers) in order to increase shareholder value is simply the wrong thing to do—people lose jobs and life savings, and people go to jail. The lesson is that we should not do the wrong thing simply because it will allow us to reach more students. I mention this because I see so much outsourcing of what I would view as core competencies (teaching and learning). What do I mean? A number of schools offer educational "product"—faculty, content, platform, and so forth—sold by a vendor that simply rebranded for that particular school's audience. This trend should worry us deeply.

Turning now to “business” skills, the first set of skills involves the production of education. Discovering a new, more efficient production process—combining the inputs in new ways—is a fundamental way of improving quality and reducing cost. However, there are other business skills that can assist us in better serving our institutions and students. Specifically, these skills include financing online education, using process/project management to maximize efficiency in designing and delivering online education, and using principles of marketing to ensure that what is developed meets student needs.

According to Merrill-Lynch’s *Book of Knowledge*, while the education sector is responsible for some 10 percent of GDP, it receives less than 0.2 percent of private capital formation [11]. This means that we are severely constrained when it comes to investing in our future; we essentially have to use whatever percentage of net tuition dollars is left over after we pay our provost tax to invest in new programs.

With respect to online education, several approaches have been used to secure capital. Certain institutions have restructured their budgets and allocated the additional resources needed to finance online learning. Others have obtained funding from government and foundations. Other institutions decided to venture directly into the capital markets and spun off separate for-profit ventures. Most of these approaches, such as Fathom and NYUonline, did not bear the fruit anticipated and were written up both in the academic and popular press as failures.

I have three fundamental concerns about how these ventures were viewed by the press. To chastise higher education on the one hand for not keeping up with the times, and then to criticize it when it takes risks, sends conflicting messages. Indeed, I am not sure that experiments like NYUonline could actually have been said to be failures. (As people we all cease to exist, but I hope when I am eulogized my life won’t be viewed as a failure.) During the time that NYUonline existed as an experiment, NYU’s online learning program had a 96% retention rate; NYU became the first college in New York State to be given blanket accreditation and was a test site for the U.S. Department of Education. NYUonline’s beginning and end did not affect substantively NYU’s online offerings in any way. Today, NYU continues to enroll students in its online programs and deliver quality education. Perhaps equally important, NYU learned some valuable lessons that are relevant to all of us. If we are to access capital markets, the quid pro quo associated with that money would mean that often we would cede at least some control over our institutions. We also now know that technology is a red herring and that what is important is quality learning, which is associated with our institutions and not with new brands such as Fathom. We also know that there are significant markets out there (international students and corporate training programs, for example) that crave access to quality education and that online learning may meet these needs. The point here is threefold: that there were valuable lessons learned, so the experiments shouldn’t be perceived as failures; that there are needs that are not being met; and that the market would like higher education to meet those needs as opposed to our reinventing ourselves to the point where we are not recognized as universities.

Another set of skills involves using the best practices that have emerged from the field of operations management. Whether or not we subscribe to a particular approach such as Project Management Body of Knowledge (PMBOK), we should recognize that the production and delivery of online education is a complicated process. Historically, many of us have simply dumped added responsibilities onto our faculty—to make them, in addition to being experts in their subject area, experts in instructional design, graphic design, and technology. We do this all in a pedagogical approach that could best be defined as sink or swim.

The production accreditation requirement in AACSB (Association to Advance Collegiate Schools of

Business) could help us improve efficiency while maintaining quality and allow us to explore opportunity costs of substituting one process for another. The analogy I like to use when discussing online learning is the performing arts in that it is, first, a group effort and people bring different sets of expertise to the table. Second, it requires us to understand our audience and medium in order to be effective. The script (content) can change depending on whether we are making a movie, reading it in a book, or seeing it performed as an opera. The sequencing component of operations management, combined with the iteration of tasks and the cost and time associated with them, will allow us to standardize quality while looking for efficiency savings. We need to professionalize and standardize the development of online learning rather than providing faculty access to technology and hoping that they are successful.

The final set of skills that may help us better serve our students and our institutions are marketing skills. We tend to use this word pejoratively in higher education as a synonym for *selling*, but marketing is much broader conceptually and can help us to understand students' needs, to find those students, and to enable them to access higher education.

We know that the old model—what Don Stewart and others have referred to as the great sorting [12], in which students and colleges participated in a sort of clearinghouse that allowed them to match their interests and talents with an institution's admission criteria and programs—is utterly irrelevant to the vast majority of students. The National Center on Education Statistics (NCES) tells us that today's average student looks more like what we used to call the nontraditional student in terms of age, background, and employment status. We also know from the U.S. Department of Commerce that higher education is this country's fifth largest service export and from the Institute for International Education (IIE) that the vast majority of students who want access to U.S. higher education can not attain it for legal and economic reasons. Indeed, it could be said that our two largest potential markets—the working adult and the international student—are essentially unable to access traditionally designed higher education. These two markets (and they are just examples) would be served tremendously by the promise of effective online learning. In online learning, the barriers to trade that exist in either bringing students in or in setting up branch campuses disappear and the challenges of reaching the working adult also vanish. If you are interested in barriers to trade in education, there is an organization, National Committee for International Trade in Education, that has written extensively on the issue. I find it interesting in the whole exporting of skills debate that no one is thinking about comparative advantage. Because we have the comparative advantage in education, we could, in theory, outsource a job but get the contract to provide the training for that job. The countries to which we are exporting jobs are the very ones that have the highest demand for U.S. education; unfortunately, our policy-makers do not see the connection and opportunity.

However, we must recognize that we have failed to realize this revolution. First, we are not particularly good at selling our services. Compare most colleges' web sites or publications to any retailer's web site, and it is obvious who knows more about the selling of services. We must also recognize that, historically, our "business" is retail. We offer services and then try to convince students to purchase those services. We decide what we are going to offer regardless of what is needed and wanted by our students.

What we should recognize is that in learning there are many stakeholders and that, by and large their interests align. Government, industry, individuals, and colleges benefit when people enroll in our institutions. Therefore, we have an opportunity to implement business-to-business models and to follow the corresponding marketing strategies. In these models, one college might get 10,000 or even 100,000 students with one qualified lead. Obviously, the only way to even begin contemplating these sorts of numbers is to look at scalable online learning.

In addition to new markets for existing services, there are also competencies and resources that we have that are in demand. We need to recognize the market need and bundle our resources in ways that make sense for these markets. Some examples of what some companies might demand of us include the following:

Content. This is the most self-evident service that we can offer. It is the catalogue of existing courses that we have. We also have the intellectual capital within our walls to design and build custom courses.

Conversion to e-learning. Research on the average cost of developing an online course at a university demonstrates that while there is wide variance, universities convert at rates far lower than the costs that companies pay. If we captured all the costs (and we probably haven't) to convert a face-to-face course to an online format, then we have a huge comparative advantage over what organizations other than universities spend on designing and developing a class.

Consulting. Why doesn't academic consulting to industry on online learning become a greater revenue source to our institutions? Outside of higher education, organizations spend considerable amounts of money trying to understand how to deliver effective learning to adults distributed geographically. Since educators know about both learning and online learning, the array of consulting services we could provide is extensive. Consulting services could range from needs assessment to summative evaluation. Depending on institutional mission, they could even resemble the services that the Council on Adult and Experiential Learning (CAEL) advocates colleges should provide to adult students, a sort of codification of content in which we review the learning developed and delivered by a company or a country and then see if it is delivering what it intended to deliver. If so, we certify that learning.

Access to technology. Many organizations are looking to implement e-learning but are daunted by the start-up costs. For most of us, those costs are sunk and probably not even capitalized. Consequently, we could rent space on our platforms and share authoring tools, which would allow others contemplating the move to online learning to both experiment with the medium as well as focus on the substance rather than the technology. In our world, talk of open source code and freeware are gaining momentum while many companies spend seven figures purchasing systems and software and still have no idea how to use them effectively.

Teaching teaching and teaching learning. By definition, successful organizations know how to produce their product or service. However, in a knowledge economy, teaching new employees the business and developing current employees is a fundamental strategy for success. Given the geographic dispersion of employees in the global economy, online learning is a potentially valuable tool. Yet developing and delivering online learning is not within the core competencies of the vast majority of companies, even those who have great expertise in technology. Higher education has been developing and delivering online learning successfully for years. We can teach organizations how to do it successfully themselves, or at least how to overcome the caveat emptor that we all caution consumers of purchasing outsourced learning technology.

Access to funding. The world outside our walls is challenged with respect to resource access. By partnering with each other, we may be able to help each other. Examples include fairly traditional models such as jointly securing government contracts or grants to more innovative approaches. Many companies have tuition remission programs that are separate line items from professional development accounts; if an accredited institution offers the professional development, the training department can use the tuition benefit to further its own goals. Even more novel is the notion of corporate loan programs. If an accredited institution provides, as an example, sales training, the company could guarantee a student loan. This has several interesting benefits. A third party (bank) provides the capital; the company (assuming its bond rating is sufficient) serves as guarantor. The company services the repayment of the debt assuming that the employee is retained. Should the employee leave (say to a competitor) the employee takes the learning expense with them. Companies only pay for the learning that benefits them. In addition, this approach moves the item from an expense to a liability on the company's books.

Customized credentials. We should recognize that there may be instances in which it is educationally appropriate to explore ways of customizing a body of knowledge to meet a particular company or industry's need. The range of customization is wide and could include admission policies, enrollment procedures, course format, the development of case studies relevant to a given industry, or simply a focus by faculty on a particular industry to demonstrate a particular salient point. It may also include recognition of work-based learning or nonformal education (for example, the army and ACE/Ponzi); or a customized curriculum offering a new credential (Pace's NACTEL Program is probably one of the most innovative examples). Clearly we should be guided by principles of academic integrity, but I would point out that the modern curriculum for most undergraduate education is a result of Harvard's 1945 Red Book and that most disciplines are fairly recent constructs. So, while we should value our integrity, we should recognize and welcome opportunities to review curricula. We also must grapple with the pedagogical question of diversity. For many of us, building a diverse cohort is paramount, but in this model, all the students might be from a single company, even a single division of a company. While we should and need to explore the learning consequences of such an approach, we shouldn't patently rule it out.

II. CONCRETE EXAMPLES

Because each of these examples involves New York University's School of Continuing and Professional Studies (which is where NYU houses its online learning), I will provide some background on the school as part of the context, and then as I introduce each example, I will give background on the scenario, the specific opportunity, the strategy implemented, and the results and lesson learned. Each of the examples demonstrates a different approach, a different market or educational offering, and different outcomes.

NYU (www.spcs.nyu.edu) is viewed as one of the flagship institutions of adult and continuing education. It offers some 2,500 courses each semester in a broad array of options from conferences and short seminars through master's degrees. The university would characterize itself as expert in adult education, and professional education is one of its main strengths, with most adult ed course offerings focusing on industry-specific credentials and content. The university also focuses heavily on international markets and views itself as a leader in online learning, with a long successful history in the medium. During my tenure at NYU, I had responsibility for three main areas—new initiatives, international initiatives, and corporate learning.

Some examples discussed here were not successes. It is important to note that, while we want to mitigate and manage risk, risk is part of the plan and can have unavoidable effects even when one mitigates all reasonable risk. The greater goal is to make educators comfortable with ceding some control to the market.

The first opportunity involved a new program for a new online audience and emerged when two CEOs—one from a leading publishing company, the other from the music industry—asked to meet with NYU to explore partnering for some sort of online venture. The initial meeting took place in 1999, and both industries were concerned about how the internet was going to impact their core business and were looking for new services to provide. The thinking was that NYU knew how to deliver learning on the web and that the two companies each knew both their industry and how to market. The potential partners did not have anything more concrete other than a sense of urgency and internal resources.

During the conversation, NYU suggested offering two certificate programs online modeled on *Inside the Actors Studio* but much more substantive and interactive (since the medium can be two way and is much more cost effective than a television broadcast), focusing on the business of music and the business of writing. The companies liked the initial concept, and a team was formed to develop the concept into a formal proposal.

What emerged was a partnership whereby NYU would design the curriculum and provide the faculty, and the companies would provide access to talent (some of the best writers and musicians in the world) as well as capital (eight figures) to get the program off the ground. Because they owned print media as well as television and online media, the companies would also market the program. (As I mentioned, marketing is not a strong suit of education.) The programs would be noncredit and targeted at "generation Y" students. In addition to getting the opportunity to interact with their idols in a substantive way, the students would receive a certificate of completion and, if they had an interest, they could submit a writing sample to the publishing company, which would guarantee its review and would sign the author on the spot if the writing was of sufficient quality. A similar arrangement was made with the music company for demo tapes. The proposal included no capital investment on the part of NYU and a net tuition revenue share of 60 percent to NYU, with the 40 percent going to the two corporate stakeholders. A demo was made and the capital was secured from the boards of the two companies.

The deal provided both capital and access to market—two things that the school was lacking. It also brought to the table intellectual capital that was not previously available to the university. The end result of the program was that, after eighteen months of negotiations between the parties' lawyers, the parties agreed not to move forward. The two companies were frustrated with NYU, which they viewed as slow to make decisions and reluctant to take risks. Of paramount concern to NYU was the protection of its academic integrity and nonprofit status, and a reluctance to be "co-branded" with two entertainment companies. The lesson here is that if we as educational institutions are going to explore a partnership with others, we must first make sure that we do not over-commit and that the university structure is both philosophically in agreement with and logistically able to execute the opportunity. After eighteen months, even if NYU had wanted to salvage the relationship, there was so much frustration that it probably would have been impossible to make the program work.

The next opportunity was building on an existing program directed at a new audience. American Express, which has a longstanding and mutually beneficial relationship with NYU, reached out for assistance in ensuring that its employees were "best in class" when it came to direct marketing. An online program in direct marketing already existed through NYU's direct marketing institute, and American Express had sent some employees to the program in the past. American Express, a diversified worldwide travel, financial, and network services company founded in 1850, is a leader in charge and credit cards, travelers' checks, financial planning, investment products, insurance, and international banking. It also happens to view itself as one of the leading experts globally on direct marketing. In addition, American Express wanted the program to focus on its business units in Europe, which have different regulations as well different cultures from those in the U.S. Finally, American Express did not have a critical mass of employees needing training in any one particular site and so needed a distributed learning solution.

NYU agreed to leverage the existing material in the certificate program and then supplement it with customized content developed by faculty who worked with American Express internal experts. All the necessary technology and production processes were already in place at NYU. To keep costs to American Express at a minimum, NYU used PowerPoint with voiceover IP technology. Because the program was launched in Europe, faculty had to be amenable to teaching the synchronous component early in the morning.

The program was successfully piloted four months after development. Certain problems needed to be resolved with respect to European privacy laws as well as firewall issues, but in the end, a cohort of twenty students from seven different countries successfully completed the six-course program. From both the university's and the company's perspective, a high-quality customized program was delivered online successfully at a fraction of the cost of developing a completely new one either in-house at American Express (which did not have either the technology or the pedagogical expertise) or from the ground up at NYU. The relationship continues, and discussion of taking the program global is underway. NYU faculty are able to engage with an industry leader to keep the subject matter up-to-date, and at the same time, American Express is able to cost-effectively customize its internal learning based on market segment and deliver it to its employees without having to internalize any of the technology or instructional design expertise. And, of course, for NYU it is a source of tuition revenue with little administrative paperwork and zero cost to recruit students.

Another example focuses converting an existing program for an international audience. NYU was approached by the Spanish telecommunications giant Telefónica's Argentinian subsidiary to see whether NYU would be interested in delivering online education to Latin America. Telefónica is the leading operator in the Spanish- and Portuguese-speaking markets and the sixth biggest operator in the world in terms of market capitalization. The company has operations in forty different countries and has more than 100 million customers worldwide.

The company had acquired a subsidiary—Terra Lycos—and was interested in content and programming to drive use of the internet in seventeen different Spanish-speaking markets globally. At the time of the initial approach, no Spanish-speaking university had online offerings except for the University of Monterrey, which has been very aggressive. Telefónica had identified two programs that NYU offered online—a certificate in e-commerce and one in business—that it believed would be viable in its markets. However, in order to be viable, the programs needed to be offered in Spanish.

An agreement was reached whereby NYU would convert both its learning management system (LMS) and all of its courses in each of the two programs into Spanish. NYU also committed to finding bilingual faculty who could teach the synchronous portion of the courses (each course had a voice-over IP component). Telefónica was responsible for marketing the courses, and because it overwhelmingly dominates both the internet and telephone markets in these countries, this responsibility was not seen as a problem. The company also would be responsible for three key components when operating in a foreign market: procuring the requisite government permissions, collecting student fees, and converting them to U.S. dollars. Consequently, Telefónica was assuming all credit risk, exchange rate risk, and inflation risk.

NYU spent a great deal of time working out the business flow processes in such a way that the relationship between student and institution remained sacrosanct. The university had a stringent and conservative approach to the Family Education Rights Privacy Act (FERPA) that required not having a third party involved in the process once the student matriculated. Concurrently, NYU invested heavily in converting its LMS and translating its fourteen courses into Spanish as well as recruiting qualified bilingual faculty. The NYU team went down to Buenos Aires to finalize the program and officially launch it, and the next day the Argentine government as well as its banking industry collapsed. Several years later, the program has yet to be resurrected. The lesson here is that you can do everything right both as an academic institution and as a business partner, and there is still no guarantee of success. But NYU learned a lot from the experience, and its boldness and initiative got the attention of the U.S. Department of Commerce, which awarded NYU with a presidential e-Award for innovation, the first time a college was ever awarded for exporting education (even though it is the country's fifth largest service export). So even failure can bring some accolades.

JetBlue, a low-cost/low-fare airline that provides high-quality customer service primarily on point-to-point routes, offers another example, one involving neither students nor courses. It is an interesting company because it is one of the few airlines currently operating at a profit and expanding. Unlike the cases above in which the opportunity came to NYU, NYU reached out to JetBlue. Because it flies the same routes as other carriers, JetBlue's fundamental business strategy is to compete on customer service and therefore to emphasize employee learning. This focus puts severe stresses on JetBlue for two reasons. First, because it is hiring thousands of new people each year, keeping up with training is incredibly difficult and the trainees are geographically dispersed. Second, the talents and backgrounds of the employees vary tremendously. To address these challenges, JetBlue created JetBlue University, which centralized training functions. While recognizing the appeal of e-learning, the company did not have either the technology or expertise in-house; it teamed up with NYU to gain access to learning technology and to tap into NYU's expertise in designing and delivering e-learning. The partnership began with NYU helping JetBlue design and deliver assessment modules required by the FAA of all pilots. Under the old system, pilots had to report to one central location and take a paper-and-pencil test, which then had to be scored and forwarded to the FAA. Using NYU's technology and learning from NYU's team of instructional designers, JetBlue was able to automate the process so that pilots, wherever they where, could take the assessments virtually and then have the LMS tabulate scores and develop reports that JetBlue could forward to the FAA. The program has been successful in its initial stage, and JetBlue is exploring other opportunities with NYU.

An example interesting because of its sheer size involves WorldCom, once one of the world's largest telecommunications companies. In 2002, it came to light that the company had failed to account for and inflated income by some twelve billion dollars. The result was an SEC investigation and the largest Chapter 11 bankruptcy filing in history. Tens of thousands of employees lost their jobs and life savings. As part of the settlement with the SEC, the company agreed to provide ethics and finance training to all of its senior management. The company issued an RFP asking for solutions that would meet the SEC's aggressive timeline. Concurrently, a new CEO was brought on board who felt very strongly that, for WorldCom to survive, it had to become the gold standard for business ethics and adopt a zero tolerance policy toward unethical behavior. Consequently, the original RFP, which called for the training of some 2,000 employees, was expanded to include every single WorldCom employee globally. NYU won the contract to provide the training by advocating two strategies: using voice-over IP to reach the finance and accounting professionals, and using asynchronous self-directed learning to reach every single employee globally.

The program as designed by NYU and WorldCom called for a year-long rollout. That timeline was accelerated when, in order to demonstrate its commitment both to the bankruptcy court and the U.S. government (which was a big client), WorldCom committed to speeding up the delivery of the program exponentially.

This gave NYU six weeks to design the program with WorldCom and another three weeks to deliver it. The program had to be delivered in nine different languages all over the world. The company needed to be able to demonstrate not only 100 percent completion of the program but that each employee understood the lessons learned. Once that program was delivered, NYU then had to develop a more in-depth eight-hour program that would begin an ongoing executive learning component for more senior employees, and deliver that to the 1,200 finance professionals within three weeks of finishing up the asynchronous program.

NYU was honored to have been chosen to help ensure that 60,000 people would retain their jobs but a little daunted by the timeline and the slew of technological challenges associated with delivering the program. The strategy was to bring together a wide team of experts in technology, instructional design, ethics, finance, and law together to jointly develop a custom program that NYU felt met the standards that WorldCom was setting for itself while complying also with what the SEC required. The program was designed so that each module had an embedded assessment, and an employee could not move forward until demonstrating competency in each learning module. The program was housed on NYU servers and in its learning management system. The university built and delivered a high-bandwidth prototype while developing a low bandwidth version to reach hearing-impaired employees and employees who had firewall challenges. NYU concurrently translated the program into the other eight languages and delivered that program as well, launching it two weeks later. The university had to provide nightly reports to WorldCom to let them know how many employees had started and completed the program. At the end of the three-week implementation cycle and despite the severe tax on the technological capacity of the university, NYU was able to report to WorldCom that every single one of its employees globally had taken and passed the course. In six weeks it was able to design and build ten different iterations of an asynchronous module, and in one three-week period the module was delivered to 60,000 employees globally.

At the same time the NYU team developed the synchronous part of the program, which was less daunting because it used a voiceover IP solution that WorldCom had internally developed. Consequently, NYU had only to bring together faculty experts in the disciplines and have them work cooperatively with WorldCom to ensure that the program fit with WorldCom culture and met SEC requirements. This program too was launched and delivered successfully, running virtual lectures of 250 students at a time. The end result was that WorldCom became MCI, emerged out of bankruptcy, kept its government contracts, and the SEC approved the settlement. NYU continues to develop additional ethics, finance, and law training for MCI employees globally.

The final example is one that was funded by the Sloan Foundation and presents a different way of thinking about marketing online learning. After 9/11, the Fire Department of the City of New York (FDNY) approached NYU to help it both think through its internal training and to provide access to higher education. FDNY has 16,000 employees who spend their time either saving lives or training. They also have the responsibility of training firefighters from other counties, cities, and countries. Their schedule does not lend itself to learning, and they have a history of internal training that is completely ad hoc and experiential (although FDNY does provide some 7,000 hours of formal training). Historically firefighting has been a blue-collar profession, and most firefighters did not go to college. The terrorist attacks made it abundantly clear that, in this complicated world, FDNY needed to standardize its internal training and provide access to higher education to their employees—not only to prepare them for retirement (firefighting is a young person's profession) but also to help them be better firefighters.

NYU initially worked with Herkimer County Community College to develop an articulation agreement whereby firefighters would complete their first two years online and then matriculate at NYU. However, with 16,000 employees, Herkimer and NYU could not ultimately handle the capacity. More important, the tuition costs at NYU would have bankrupted the city. Most important to us as educators, channeling all employees through one institution was not the right thing to do.

FDNY had three needs: it wanted to explore the possibility of standardizing its internal training and putting it online when appropriate, it wanted access to higher education, and it wanted a way for employees to get credit for their on-the-job training. NYU provided training to FDNY teams so that they could learn how to build their own courses, and CAEL built an online course designed to teach FDNY employees how to present their work to colleges for review for advanced standing and credit.

The beauty of the U.S. system of higher education is its diversity. No matter who you are, you can find at least one college that meets your interests and talents as a student. From community colleges to state universities to private institutions varying in mission and focus, there is something for everyone. It is this model that has led to our greatness as a country and, unfortunately, it is this same model that the working adult is often excluded from. However, online learning can right that wrong because working collectively with employers, higher education can be available to any employee.

The conceptual model is based on Nash's equilibrium point in general dynamic theory. He taught us that those who compete can find stable places from which it makes more sense to cooperate. Since the Sloan Consortium represents quality online learning that reflects the diversity of institutions that make up our system of education, collectively we are the best that the country has to offer, even if individually we compete for students. We should recognize that we are all better off if we all get students as opposed to what we currently do, which is buy the same direct mail lists and send out email blasts to the same narrow range of potential consumers. Instead of spending a fortune fighting over the same students, we can reach new markets of students (often fully funded) without cost to ourselves—we do not change our admission strategies, we do not discount our tuition, we simply agree to play.

FDNYU, as it is now called, is ready to launch and, although the pieces are in place, it is unclear whether the culture of FDNY will lead to massive enrollments. However, a technological framework exists that allows FDNY employees to design and develop their own online courses. The methodology and learning module allows them how to work with colleges to get credit for their on-the-job training, and a database of eighty Sloan-C member colleges offers several hundred programs that can be searched based on interest and talents so that any firefighter—if he or she wishes to access higher education—can find an outstanding online program that meets individual needs, all from the comfort of the home or firehouse. The implications for such a model to us are quite profound, in that entities we could never support individually we can now collectively support holistically.

III. CONCLUSIONS

The most important lesson that emerges from the cases above is that there is a need, a market, and a moral imperative to be entrepreneurial when it comes to developing and delivering online education. Within that lesson, we must recognize that while we have a duty to mitigate risk in order to serve as stewards of our institutions, we must try new things and become comfortable with failing. To quote Browning, our "reach should exceed [our] grasp—or what's a heaven for?"

To help mitigate the risks inherent in trying new things, we should look for partners to share that risk. In certain instances, it makes sense to partner with our traditional competitors (other schools). But if we are going after new markets, then it may make sense to partner up and down the value chain with very nontraditional partners such as publishing companies, technology companies, and consulting firms. If we are to be successful in partnering, we must have the processes and the culture in place to allow us to keep our autonomy but share risks and rewards.

We must also understand where the students are and what they need. Since the vast majority of today's students—especially potential students who are not being served—do not look like the brick-and-mortar students of a generation ago, we must be comfortable developing new services and thinking of new ways of delivering those services. Recognizing that there is a business-to-business marketing solution for online learning and that one program can be taken apart and rebundled in ways that make the most sense to students are just two examples of this thinking. We should be willing to work with large institutions that have access to these markets in order to explore with them where our needs converge and to have the flexibility to provide those educational services. We must also recognize that we have to be able to respond to requests rather than always be the instigators of opportunity.

Finally, we cannot forget who we are. Over a century ago Cardinal Newman wrote that a university is "a place for the communication and circulation of thought. … In the nature of things, greatness and unity go together; excellence implies a center and such is a University. It is a seat of wisdom, a light of the world, a minister of the faith" [13]. We need to remember that "center" and recognize that we are morally compelled to explore new ways to better serve our missions, but that, in the process, that mission should not change; we need to remain a light of the world.

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