Designing the Next Era of Partnership for Quality Higher Education

Higher education is a complex business. Yet we often speak as if it has a single business model. This has been especially true over the past several years, when it seems that we have been continually looking over our shoulder at the “Disruptor Dragon,” waving its spiky tail and breathing its fire of disruption and, hopefully, transformation. The reality is that there are many business models in higher education. In fact, there is no single “higher education” to disrupt. The existing business models are driven by often interwoven variables such as whether an institution is a public, a nonprofit private, a for-profit private, an elite or access-driven, or a research or teaching institution. The business models associated with these profiles have evolved over time, greatly influenced by social and political factors. Although many may fit well-documented business case patterns, they are, for the most part, undesigned. Like legacy ERP code that has been built over the course of many years, legacy business models form an amorphous and shaky foundation from which to transform, especially when the models are tied to cultural and political values stemming from previous eras—values that no longer have a shared basis for understanding in today’s world.

The drivers of disruption are also complex. Some of the largest disruptors mentioned in the media these days are the rising cost of college (threatening access to education), the unbundling of work (altering the job foundation for which a college education is often considered a launching pad), and the new “sharing economy” (creating a shift toward just-in-time micro-learning experiences, such as developer boot camps, that are offered sans degree but with strong connections to industry). These disrupters may or may not have an impact on an institution, depending on the brand, the funding sources, and the population an institution is aiming to serve. The rising cost of higher education hasn’t happened in isolation. It parallels a divestment from some of the long-standing funding sources: federal and private foundation funds for research; philanthropy; state and federal aid packages; and industry grants or gifts. What was a multi-sided platform, reducing costs for students through investments made by government and industry, has become one-sided, borne almost solely on the shoulders of students and their families. In addition, it is likely that these disrupters will be greatly influenced by the industries that stand to hire an institution’s students, engage with its staff, and seek to be deployed on its campuses. If nothing else, simply due to the proximity of concerns, there are opportunities now for serious dialogue regarding the next era of partnership between higher education and industry and the development of new, perhaps even shared, business models.

In the midst of our flight from the Disruptor Dragon, colleges and universities are stumbling this way and that in an attempt to find the answer to a “new normal” funding landscape. Disappointingly, our search for new business models has thus far focused on attempting to uncover new revenue by producing product to scale, without much real regard to the quality of the education or the value of the resulting educational experience. In that process, there is little review of the lasting value of the product that we have to offer and its impact on future generations. Most new models have replicated the unengaging and pedagogically shallow lecture-based model, losing out on a unique moment for reflection. In addition, few institutions have chosen to design their next era from a business perspective; rather, most are reacting to the hottest trends and, in some cases, are spending significant dollars to ensure that their name is on the list of changemakers—regardless of whether the change is “the change we want to be” and blind to whether the investments are viable.

One of the largest critics of the outcomes from higher education institutions is industry—long-standing corporations and start-ups alike. The criticism goes something like this: Higher education isn’t producing enough adaptable, digitally-literate critical thinkers who thrive in the ambiguity of the new age. In some cases, industry isn’t waiting for higher education to help with a solution; companies are instead choosing to create and adopt their own customized educational experience.1 In other cases, where industry could have partnered with academia on cutting-edge innovative research, companies are instead choosing to procure that talent in-house, creating groups of researchers who focus on topics that extend well beyond the parent company’s core mission.2 Although I absolutely understand the desire to bring these activities closer to home for the sake of efficiency and control, the challenge with these approaches is that in the absence of profit, they don’t contribute to the advancement of society. By its very nature, industry is proprietary and capital-driven. What remains of the common

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good if the majority of research and innovation advances shift to the domain of industry rather than education? What happens if an innovation may help millions of people but will not make a dime for the company? What happens if people are educated only by the companies they work for? Will higher education become like health care, with an individual “covered” only by the employer’s education plan? Look to Starbucks' recent partnership with ASU. On the surface and in many ways a very positive offer for Starbucks employees, this partnership is somewhat insidious in its implications regarding the longer-term relationships between employees, their work, and their education.

For a higher education institution to honestly evaluate its value proposition is a good thing. I believe that all organizations should continually evaluate and adjust their business model and their mission based on the context of the time, the populations they are serving, and their goals. Just because an organization doesn’t mean that it should be. For the most part, over the past 100-plus years (post land-grant and wartime government investments), we have been complacent. Just because the drivers that led to those subsidies are gone does not mean that there shouldn’t be significant government and industry sponsorship of education. It simply means that we need to rearticulate the ways that colleges and universities contribute to this new era and the importance of their neutral, nonproprietary, non-profit-driven perspective to the future of a civil society. I like to think we can do this, and I like to think we can do so by putting quality first.

I am going to tell you a true story about a student at my institution. An excellent student, Student X went to intern at a very well-known company between his sophomore and junior years. At the end of the summer, he was hired, with a six-figure salary. A year later, when I saw Student X at a school event, I asked him how everything was going. He mentioned that he was interested in coming back to school because although he really liked making the money, he felt he was narrowing his options for the future and was missing the breadth of a well-rounded education. I pondered this for a while, at first feeling a bit vindicated (we won!) but later realizing with time that there may be another way of looking at this experience. In that one year, Student X will have paid for his education and will also have had an incredible learning experience. He could now go back to school with effectively little or no debt. This could, in fact, have been a designed experience, one that would benefit everyone involved: students by providing dollars that offset the cost of education and an apprenticeship that engages them in their future employment and seeds them with real-time experience and skills; industry partners by building a future employee-base, influencing the shape of the curriculum, and contributing to a broad, liberal education that produces well-rounded design thinkers; and higher education institutions by introducing applied and hands-on experiences for students to help prepare them for their post-formal-education years.

Arrangements such as this one, where we can find pedagogical wins that support new models of co-investment, should be amplified and tested in an intentional way. We should keep in mind the values of the common good and seek to design new models that allow for freedom of movement and nonproprietary outcomes. In the process, we should not worry so much about scale. Scaling a meaningful experience happens by developing structures to support the experiences, not by developing and selling canned content. To do this—to design the next era of partnerships for quality higher education—we will need willing government and industry partners who are ready to break down the walls, accept the value of a purposeful co-investment, and share in the experience of educating the brilliant minds and makers of the future.

Notes

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