

Meeting the Challenge of Free Education: How to Make Money When the Competition Is Giving It Away

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INTRODUCTION

In the very near future, the huge and rapidly growing store of free, online learning opportunities will completely transform higher continuing education. The beginnings of this transformation are already evident and the factors compelling this change are so powerful that free learning is no longer a “trend.” Rather, free learning is an imperative that must be recognized soon if current higher-education institutions, and particularly their continuing-education arms, are to survive and continue to be useful to society.

THE PROMISE AND THE THREAT

A world in which everyone can learn anything, anywhere, anytime, for free is no longer a utopian, idealistic, unattainable goal, articulated only by the starry-eyed optimistic educators who need some grand idea or vision to animate their profession or organizations. Rather, this world of free education is a reality whose progress has some hard-edged business implications for those of us tasked with the financial management of a continuing-education (CE) organization.

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What happens to a company when the products it sells are suddenly available to the world for free or for a very low cost? We do not have to go too far from our own CE industry to see what happens. Look at the publishing industry today as it tries to compete with the store of free material on the Web, the open-textbook movement, and the e-book trend. University-based CE will feel the effect of free competitive products more quickly and more profoundly than higher education in general. Our students, as compared to traditional college students, are more sophisticated consumers of learning experiences, more focused on the learning pathways they seek, more independent in their ability to choose among alternative learning pathways, and more price/value conscious. Their motivations for learning are often characterized by more specific and short-term learning objectives or outcomes. CE organizations are therefore more vulnerable to the effects of free education because CE students are more likely to choose free learning.

BACKGROUND AND CONTEXT

The proliferation of free learning objects and pathways is a logical step in a trend that was discernable as far back as 1974 when Martin Trow wrote his article describing the movement from elite to mass to universal higher education. He updated this theme in 2006. Trow listed the following characteristics of his conception of universal access, all of which are clearly embodied in and consistent with free and open web-based learning opportunities:

- adaptation of the whole population to rapid social and technological change;
- breakdown of boundaries and sequences and distinctions between learning and life;
- postponement of entry, softening of boundaries between formal education and other aspects of life;
- great diversity with no common standards;
- aggregates of people enrolled, some of whom are rarely or never on campus;
- questioning of special privileges and immunities of academe;
- criterion shifts from “standards” to “value adds;” and
- open emphasis on equality of group achievement.

Trow clearly envisioned a world in which education was ubiquitous—broadly and easily available to a large segment of the population at low or no cost.

Another way of explicating the notion of ubiquity is to add to it the parallel notion of “commodification.” This is a more recent concept, perhaps more relevant to the discussion here, created by Tim O’Reilly, founder and CEO of O’Reilly Media, Inc., and who coined “Web 2.0” to distinguish what he saw as the use of the Web as a communication and social networking vehicle as contrasted with its initial use as a content and information delivery vehicle. Observing the growth and dynamics behind the development and progress of open source software (free, developed through voluntary communities), O’Reilly applied the “law of conservation of attractive profits” to the phenomenon of open products. “When attractive profits disappear at one stage in the value chain because a product becomes modular and commoditized, the opportunity to earn attractive profits with proprietary products will usually emerge at an adjacent stage” (Christiansen, 2004; O’Reilly, 2011).

Chasing Attractive Profits in the Learning Landscape

		Content/Information		
Wikipedia	Google		iTunes	YouTube
		↓		
		Communication/Interaction (Web 2.0)		
	Skype	Facebook	Twitter	
		↓		
		Learning Pathways		
OCWC	Merlot	Connexions	FlatWorld Knowledge	Kahn Academy

While O’Reilly first applied this “law” to the software industry, it is also clearly at play in the chain of learning, which starts with content and information, proceeds to communication and social interaction, and then moves to actual learning activities. The accompanying chart illustrates this progression, which has occurred sequentially, and helps illustrate the “attractive profit” principle through examples of successful business ventures with the free distribution of the commoditized product at the center of the business model.

By now it is clear that a huge proportion of the information available on the Web is useful and that Google and other search engines have based their business models on helping us find the content that we want. Google has digitized over 4 percent of the total number of books printed (over 15

million volumes), offering summaries and abstracts from the corpus of material, and providing much of that content to users for free (Michel, 2010). iTunes, YouTube, and Wikipedia are also examples of free services around which commercialized value propositions have been built.

The next step in this commoditization chain is Web 2.0, in which communication and social interactions become ubiquitous and free (or very inexpensive). Skype, Facebook, Twitter and many other companies have been formed around this free resource, often creating extraordinary stockholder values.

THE CHALLENGE

Learning pathways are the latest and most CE-relevant phase of commoditization. While content/information and communication/interaction commodification trends might aid the teaching/learning process and be viewed as positive by educators, this latest phase is teaching/learning itself—commodification that threatens disruption of our core services. There already exists both a huge store of easily accessible free education and organizations actively engaged in distributing it. The OpenCourseWare Consortium (<http://ocwconsortium.org>) is composed of 250 universities and associated organizations worldwide that collectively offer more than 15,000 open courses in 20 different languages. MERLOT (<http://www.merlot.org>) categorizes learning materials into 18 different material types and offers learning exercises, comments, personal collections, and Content Builder web pages. Connexions (<http://cnx.org>) is one of the most popular open-education sites in the world with more than 17,000 learning objects or modules in its repository and more than 1,000 collections (textbooks, journal articles, etc.). Two million people per month utilize its materials. The widely publicized Kahn Academy (<http://www.khanacademy.org>) receives more than two million student visits every month, offering 2,100 videos delivered in short, easily digestible 10-20 minute segments. So not only is the material available, it is also being used.

The effort to offer students attestation and certification of their knowledge of open material is less well understood or recognized. The Peer-to-Peer University (<http://p2pu.org>) facilitates the formation of learning communities around open content and is beginning to tie the learning of the students to assessments. In several important and recent instances, the certification and assessment of learning acquired from free resources has become mainstream. For instance, The University of the People

(<http://www.uopeople.org>), the first tuition-free online academic institution whose global reach has now extended to 110 countries, has just signed an agreement with New York University (NYU) whereby NYU will accept the University of the People-acquired learning toward admission at NYU's highly selective Abu Dhabi campus (Lewin, 2011). In January 2011, Learning Counts, a collaboration of The Council for Adult and Experiential Learning, The College Board, and the American Council on Education, began a service in collaboration with 80 higher education institutions whereby students can have their learning assessed by an evaluator from a national panel to determine how much course credit can be given to the student (Glenn, 2011). This initiative is being propelled by the rising cost of US higher education, costs so prohibitive that large segments of our population are not afforded the learning they need to advance. But this is not only a US problem. UNESCO has estimated that by 2025 more than 98 million graduates of secondary education will not be able to pursue a college education. To serve these students in traditional ways would require that four large campuses, serving 30,000 students, would have to be built every week for the next 15 years (Daniel, 2011). Something has to give in the worldwide effort to educate people.

Despite these and many other signs that free and open learning are becoming a very real aspect of higher and continuing education, many institutional leaders ignore the threat and possible opportunities that free and open education offers. These leaders are dismissive of what seems to be a counter-intuitive activity: How can we make money by offering free courses?

MEETING THE CHALLENGE

What can we do right now to adjust to open learning? We can start by applying the "law of attractive profits" that result from commodifying our core service, and by using the experience of organizations that have preceded us as our guide. Logically these fall into several overarching categories.

Facilitating learning

At first glance, one service that we could adjust is very much like what we're already doing—facilitating the learning of students, or teaching. In the new world we are entering, the idea of being "student centered" takes on a new dimension. Just as patients now enter a doctor's office with quite a bit of knowledge acquired from the Web about their actual or possible conditions

and often with very informed questions, so students will enter our “classrooms” with more background in the learning pathway they have selected and with a more informed idea of what and how they want to learn. Our instructors will need to adjust to this more informed “consumer” perhaps by modifying their teaching methods and pushing more responsibility to the learner for the learning process. Our students will expect our courses to provide opportunities for more feedback and for more social interactions among their peers and teachers.

Adjusting curricula

Based on recent research and market trends, O’Reilly projects that learning will need to become more “atomic” or modular, and that our curricula will have to accommodate shorter attention spans (as short as five minutes!). Actually the opposite may also be true—as learning gets more modular, there will be greater value in the logical “contextualizing” of these experiences into an integrated whole. Establishing the larger landscape in which any particular learning experience can be given context will be an important service of universities.

Aiding learning pathway-choice making

The importance of “context-making” as described above has another implication for “added value.” By definition, students do not “know what they don’t know.” Therefore, making learning-project choices, from a five-minute YouTube video to a full degree program, will present challenges to students, who will look to us for help. It will be important for institutions to establish and publish curricular “maps” and diagnostics to help students determine the appropriate starting point and to preview what is a logical progression of knowing.

Providing choices inside the learning experience

Teaching/learning services that provide students with the most choices of what, when, where, and how to learn are likely to be the most successful. This does not mean necessarily being “all things to all people,” but it does suggest that we need to make some strategic decisions to adjust for student behavior and preferences.

Assessment, attestation, and certification


As learning becomes more ubiquitous, the demand for the assessment of learning across learning methods and resources will become more critical.

This demand is already apparent in the Learning Counts example outlined above. Fortunately, CE organizations have experience and built-in infrastructures to record grades in formal courses and to provide students with continuing professional education hours. After assessment, which is valuable to students and third parties such as employers, come the need for the attestation of knowledge or know how and its certification. Therefore, CE organizations will need to become more flexible and varied in their approaches, more sophisticated in learning assessment and attestation, and more able to facilitate and serve learning communities.

Serving learning communities

While higher education has always provided specific types of learning communities (degree cohorts and class members), the learning communities of the present and future will have different characteristics. They may exist outside of the institutional framework (as in the example of book clubs), they may continue beyond the termination of any particular learning treatment, and they may be more transitory and heterogeneous in the learning background and motivation of the members.

BEYOND BUSINESS MODELS

This paper has been structured to help CE leaders become aware of and respond to the business challenges posed by the commodification of learning. Driving this practical and financial orientation is a much more profound idea and goal—the possibility that everyone could learn anything, anywhere, anytime, and for free. Living in such a world would be very different than the world we live in today. And yes, the “everything” might include how to make a hydrogen bomb or hack into Department of Defense computer systems, but it is more likely that such a world could ignite the hopes and aspirations of a large portion of humanity, unleashing a huge store of human resources on the solution of world problems. We in continuing education are uniquely positioned to make a contribution to the ideal of free and ubiquitous education and to apply it to the problems of everything from global warming to the cure for cancer. Every world problem includes in its solution a large dose of education. We now have the opportunity for previously unimaginable impact and have at our disposal the resources and capacity to act. 

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