
Maximizing the Return on Investment for Distance Education Offerings

Evan T. Robinson, R.Ph., Ph.D.

Director of Distance Education

Shenandoah University School of Pharmacy

1460 University Drive

Winchester, VA 22601

Telephone: 540-665-1282

E-mail: erobins2@su.edu

Introduction

The costs associated with the development of online distance education materials necessitates that the materials be used as many times as possible to maximize the return on investment based upon the costs to produce these materials. This article will discuss how to maximize the return on investment based upon the concept of transformative income generation as well as ways in which the re-purposing of the materials is a natural by-product of the developmental process.

For the purposes of this article distance education is defined as a teaching and learning arrangement in which the learner and teacher are separated by geography and time. It is also a learning environment that has gone from passive to synchronously and asynchronously interactive. Within any distance learning program there are constraints that effect both the learner and the institution. The constraints to the learner include the impact to their job, cost of the program, impact on the family, and the literacy of the learner in the delivery medium, which in this case is the Internet. The constraints to the institution relate to the development of the curriculum, overhead production costs, faculty resources and load issues, and finally administrative support and staff. Based upon these costs it is imperative that the time, effort, the resources committed to the development of digital materials be recouped as well as generate additional revenue.

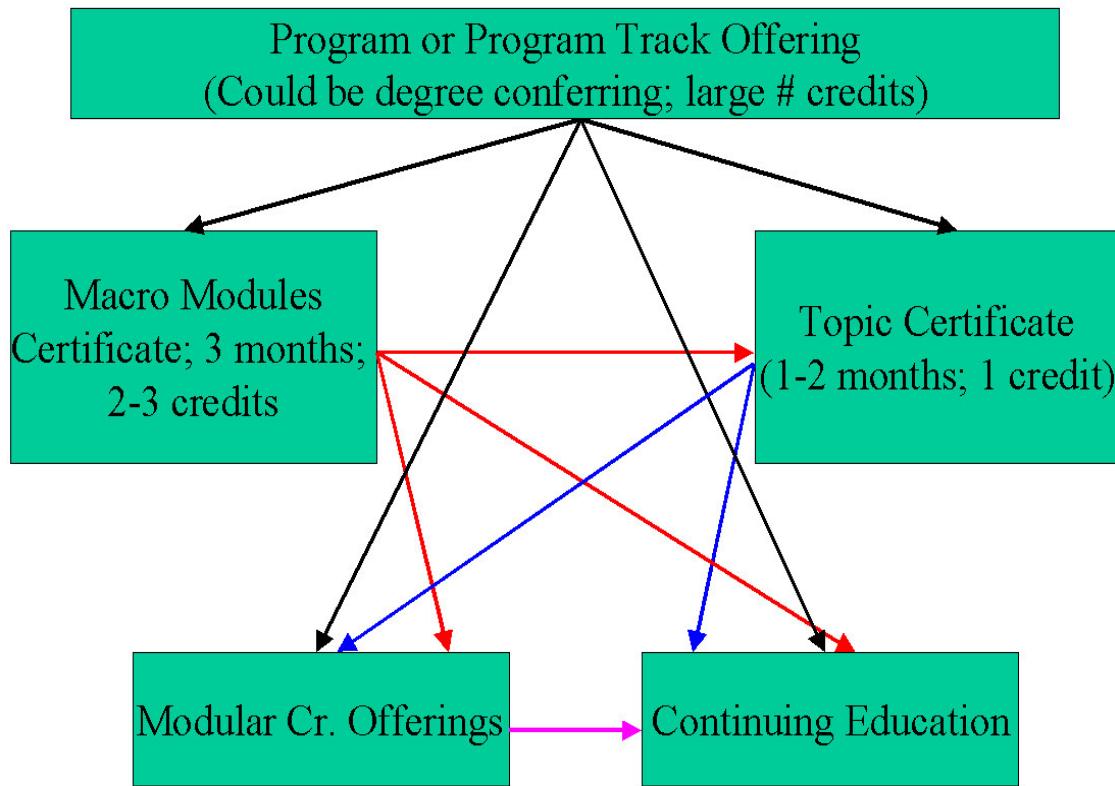
The market for online learning continues to grow as an extension of the number of people going online. The growth in the number of users and websites is excellent example of the growth taking place. It has also been estimated that by the end of 2003 nearly 85 percent of two in four-year programs of higher education will have some formal online offerings. The challenge to schools of higher education is that some estimate that 40 percent or more of independently initiated distance learning initiatives will either break even or operate at a loss for their entire program time. Given the resources and finances necessary to put programs online, it is imperative that the result not be a financial loss.

Transformative Income Generation

In order to maximize the return on investment it is imperative that materials be developed and re-purposed into various markets. Transformative income generation is a means by which an institution can plan the development of the single product or offering and then repackaging that offering into different sizes and disseminated into various markets or re-marketed to a completely different constituency. This is based on the concept of macro to micro re-utilization of educational content for the purposes developing modularized and individualized educational opportunities. As can be seen in figure 1, the development of the distance learning program offering allows for the content to be reused as macro certificates, standard certificate programs, for credit offerings, and continuing education. As can also be noted in figure 1, content development does not have to be

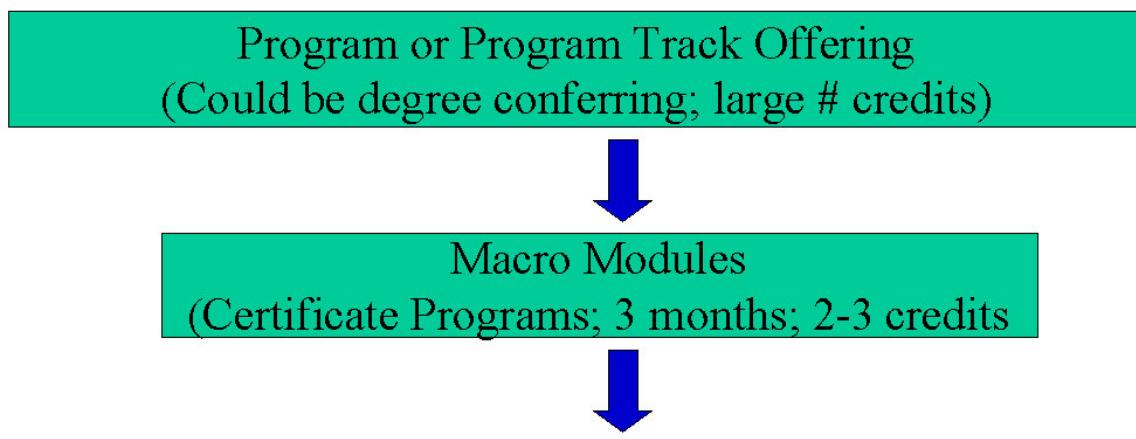
programmatic in nature and any large program development schema allows for the re-purpose in smaller components for different audiences.

Figure 1: Multi-directional Transformative Income Generation



Sometimes the concept of re-purposing is viewed via a linear means, which while viable can restrict the re-purposing of content. This can be seen in figure 2.

Figure 2: Linear Portrayal of Transformative Income Generation



Topic Certificate Programs
(1-2 months; 1 credit)



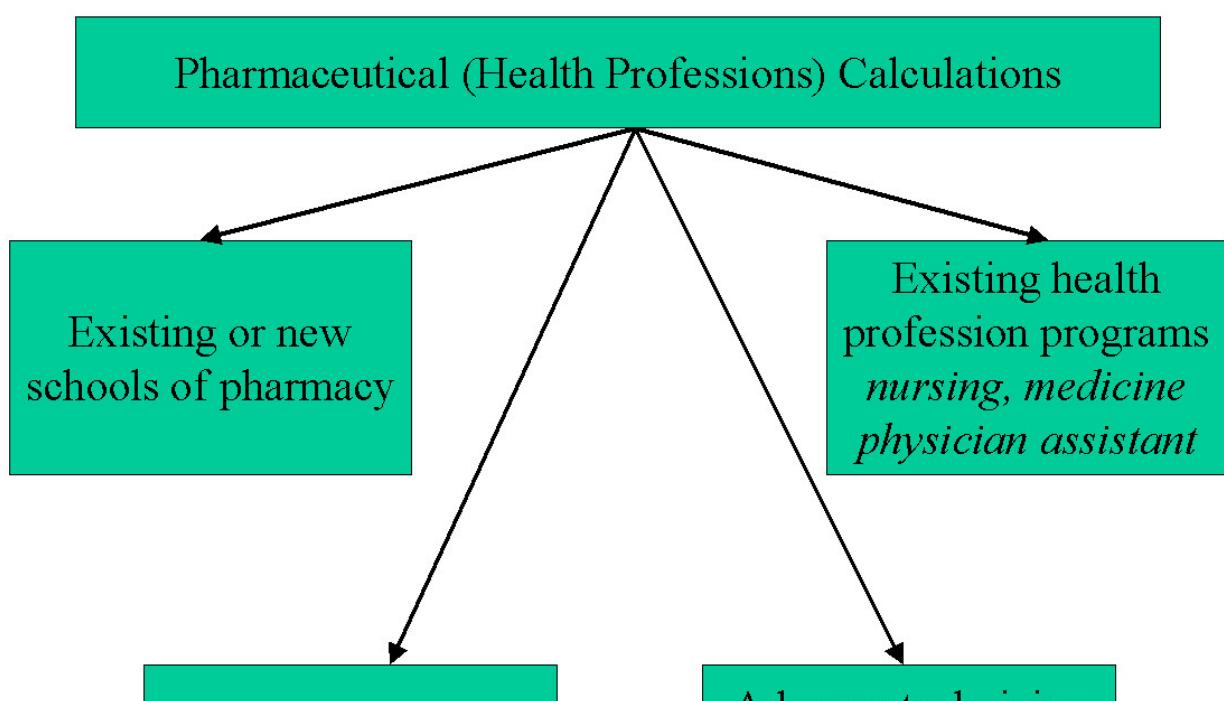
Modular Credit Offerings



Continuing Education

An example of applied transformative income generation include the development of an online Master in Business Administration (MBA) program, which can then be re-purposed as certificates in marketing or accounting, which can then be re-purposed into the original courses, disseminated as continuing education programming, and finally as adult education courses for seniors seeking to learn more about how to handle their finances. Figure 3 shows the re-purposing of a single course into four different markets that are a combination of B2B and B2C and are based on the re-use of a single course within pharmaceutical education. This example, however, only relates to the business-to-consumer (B2C) approach of transformative income generation. The other component is the business-to-business (B2B) component.

Figure 3: One Course Example of Transformative Income Generation



The B2B side of transformative income generation is the sale of the developed product to another college or university for subsequent re-sale to the learner. In this model, the MBA program discussed above can be sold in its entirety to another college or university or sold in its relevant parts. In either case, the contractual arrangement can be structured to allow for either a lump-sum purchase of the content or a revenue-sharing arrangement where each party gets a set percentage of the tuition generated. The second revenue model allows for continuous income over the life of the contract and control over the content sold, which has significant advantages.

The best means of applying transformative income generation is to develop distance learning offerings based upon B2C market-driven needs and the stratify the market into B2C and B2B when looking at product re-purposing. This can be also accomplish by developing the materials to be used to deliver a traditional curriculum and then re-purposing these materials for delivery to distance learners. In either event, the development of materials should be market-driven based upon the needs as determined via traditional marketing means; survey of potential students, alumni, current students, and any industry in organizations for which your institutions content is relevant.

In many instances the development of the educational content for use can almost be easier than the administration, coordination, and oversite that is required to re-purpose educational materials. Someone must track all the various offerings and may have to coordinate those offerings with the registrar and the department of admissions. Care should be taken to ensure that the potential benefits outweigh the time and effort needed to re-package, re-market, and re-distribute the materials. For example, it is easy to say within pharmacy that many courses being offered within a school of pharmacy can be translated to continuing education. The challenge is that continuing education within pharmacy can be considered a loss-leader, in that many organizations and schools give it away for free. So in this instance, there may be no or limited direct revenue generated by the continuing education offerings. This is not to say this would not generate indirect revenue from alumni, but that would be harder to measure.

Strategies for Maximizing Return on Investment

The best way to maximize return on investment utilizing transformative income generation model requires that the organization provide offerings that appeal to various constituencies regardless of time or financial obligations. This necessitates realizing that for the distant learner of start you may not be their number one or priority. These learners may have families, full-time jobs, mortgages, car payments, and a variety of other responsibilities that means while education is a priority, you should plan opportunities that allow the order to seeking the education that best fits their particular needs.

Strategy 1

In order to maximize your return on investment you may decide to provide the potential learner with offerings of varying lengths depending upon their level of commitment, which translates into their financial commitment. You might consider doing this because longer offerings, those more than one year, they have lowered world notes the completion rates to the time commitment involved. Longer offerings can also present the learner with the real or perceived perception of finance as an obstacle as well. These issues can be overcome by providing opportunities where courses or certificate programs are for credit and can be transferred as credit toward a degree. In this way students can become exposed to a program and earn credit at the same time. Determination of the types of

offerings should be based upon the results of a structured market analysis. These results may indicate that institution may be better off not offering a program but instead developing a-la-carte or small programmatic offerings or even re-purposing existent courses as continuing education.

Strategy 2

Another means of maximizing a return investment may be providing students with multiple points of entry into the program. For example, instead of having a degree program with a once a year admission, students could be allowed to enter the program two or three times per year. In this way the starting point for the program is not viewed as a barrier potential enrollment. Care should be taken in determining how many entry points a program should have in that too many entry points may not create a sense of urgency to enroll, while too few entry points may impose a barrier based upon previous commitments or other responsibilities. How this is structured will be dependent on the type of distance learning offerings. For example, asynchronous distance learning courses can be provided much easier and more frequently than synchronous distance learning courses that require more direct and structured faculty time. In an asynchronous model an example of structuring points of entry might be that a program can be entered twice a year, certificate programs entered three times a year, credit courses for or five times a year, and non-credit offerings on a more frequent basis.

Strategy 3

Maximizing a return on investment for the various offerings requires a well-developed and aggressive marketing plan. It is imperative that prior to entering any market in any distance education area that the appropriate market analyses be conducted for each market, with some markets being other institutions that may also seek to purchase education from your organization. It is important to remember that everyone contacting an institution may not want a degree or certificate, they may just want to learn. This does not mean an institution should offer courses just for the sake of offering courses, but should consider offerings that are consistent with its mission and purpose. It is also important that an organization not adopt the "if we build it, they will come" mentality. They, the consumer or learner, will only come if they know you exist.

For the purposes of this discussion, marketing can be considered repeat exposures through various media overtime. One exposure will not get you a customer. For this reason the various offerings by institution should be marketed or presented independently or any means that allows the potential learner to see the various options. It is also important to remember that the translation of intention to action and action to dollars means that for every 100 applications you send out, you can expect only a small number to enroll in your program. This occurs because you're moving the potential consumer from the minimal commitment stage of interest in your program to the maximum commitment stage of financial commitment as well as time commitment.

Conclusion

The cost to colleges and universities to develop distance education materials is too high cannot plan for different ways in which to use it. These costs include faculty time, staff time, infrastructure, and administration just to name a few. Given everything has to be done to put materials online, the only make sense that the materials are used more than once. Institution should take care to develop means to maximize the return on investment for what is highly costly undertaking.

Online Journal of Distance Learning Administration, Volume IV, Number III, Fall 2001

State University of West Georgia, Distance Education Center

[Back to Journal of Distance Learning Administration Contents](#)