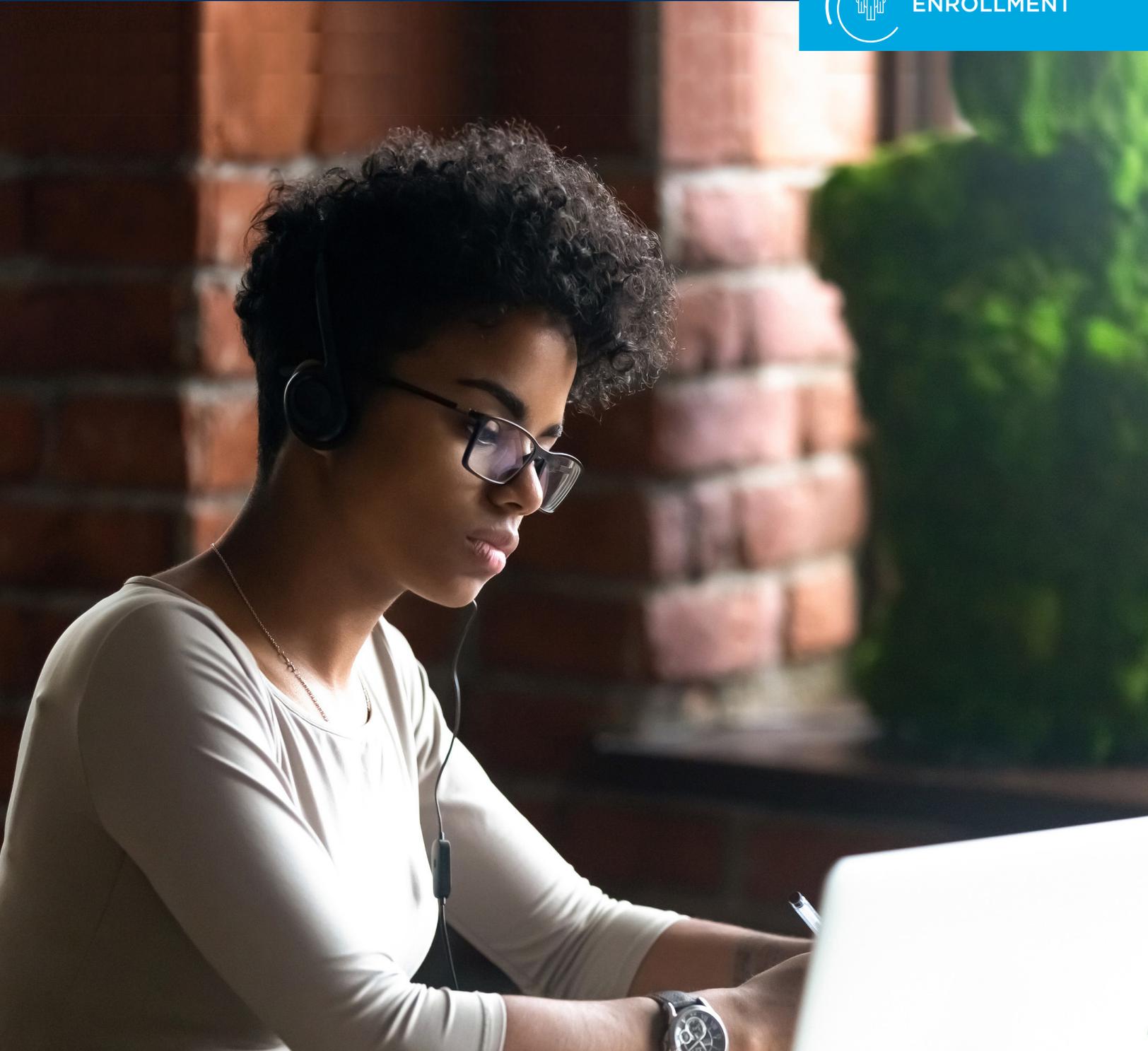




Growing Online and Graduate Enrollment: A New Alternative



ENROLLMENT



Introduction

Thought leaders have been predicting for decades that 25 percent (or more) of American colleges and universities will disappear “soon.” Over time, as this rash of closures did not occur and enrollments in fact surged, these dire predictions seemed overly negative. But in the last two years, a record number of institutions have closed, merged, or announced such actions, leading to strong reactions from students, parents, alumni, and campus communities. According to a story from *Education Dive*, more than 100 colleges now fall into one of these categories.¹

The challenges of an evolving economy, social and cultural changes, and unrelenting downward demographic pressures have all changed the nature of higher education along with its place and prospects for the future. More and more colleges and universities are coming to the realization that they have no choice but to launch or expand their online footprint at both the graduate and undergraduate levels in order shore up their future.

There are a number of ways institutions can choose to approach this challenge. As Paul LeBlanc, president of Southern New Hampshire University (which had its own awakening to this challenge a decade ago), said:



We can respond to this stormy weather as medieval farmers did to the next day’s weather: by simply waiting to see what arrives and then taking action, often inadequately. Or we can recognize that we actually have the tools, the technology, and the know-how to reinvent U.S. higher education in ways that will address its current failings. After all, it was nonprofit higher education that created the tools that the for-profits and the ed-tech startups are now putting to such good competitive use.²

Four main response pathways institutions can take



OSTRICH SYNDROME: One of the riskiest ways some institutions are dealing with the challenge is to ignore reality and believe they can continue to rely on their brand position, local connections, or their unwavering commitment to the on-campus experience above all else. This might work for a very few, very select institutions, but for the vast majority, it is time to move forward.



GO IT ALONE: A second approach is to move programs online and “go it alone” in an ad hoc manner, often for reasons related to financial tenuousness or pedagogical concerns. Despite a plethora of tested advice and an ever-growing community of experienced veterans of online programs, it is still enormously difficult for a school to take new programs or degrees online without the help of outside partners with deep expertise in areas colleges and universities tend not to have, or don’t have at scale.

¹ <https://www.educationdive.com/news/how-many-colleges-and-universities-have-closed-since-2016/539379/>

² <https://er.educause.edu/articles/2014/11/finding-new-business-models-in-unsettled-times>



OPM: A third approach is to establish a partnership with an Online Program Management (OPM) provider. For more than 15 percent of four-year colleges and universities in the country, this has been the chosen approach. OPMs traditionally offer expertise, experience, and scale. In most cases these companies take on the entire process—and expense—of building new online programs. From market research to course development, to marketing and outreach, to assessment, retention, and technology integration, these providers are able to move rapidly and move their client schools online quickly.

But the costs are significant. In exchange for undertaking all of the marketing, recruitment, and program management, **the OPM takes a percentage of tuition—often in excess of 50 percent, typically for a period of 7 to 10 years.** This, combined with a lack of operational transparency, a cookie-cutter approach, and the prospect of a painful “divorce” at the end of the relationship, has convinced many schools that these costs outweigh the benefits. There is also an emerging understanding that knowing how to create online content and all the related activities is becoming an integral part of the 21st century institution of higher learning. Working with an OPM robs an institution of the opportunity to develop these strengths.



A BETTER WAY: There is a different model that we will discuss in the coming pages, one that embraces the values, brand, mission, and strategic needs of institutions seeking to go online or grow their online portfolio. This model provides deeper expertise, shared incentives, internal skills development, and a far more reasonable financial commitment. Like all solutions to problems, it won’t be a perfect fit for all schools, but for those that it is, it changes the game entirely.

The model for tomorrow’s students: manageable and sustainable

Many campuses consider OPMs because there are some major benefits. The ability to get programs online quickly, with all of that effort and expense managed by another organization, makes the offer very attractive, especially if you desire to ramp up online enrollments. You may be very interested in what it might mean to bring some (or maybe even all) of your programs online in response to market demands.

OPMs can also almost certainly generate some much-needed revenue in the short term (50 percent of something is better than 50 percent of nothing). It might even be possible (although it is unclear how) to learn enough to go it alone after your team has watched and learned how the OPM does what it does.

But you’re still worried about the costs, and not just the financial ones: OPMs ask for 50 percent or more of whatever tuition their work generates; they use a one-size fits all approach that probably won’t help your brand; they are often resisted by faculty; and most important of all, there is a lengthy disinvestment period even after the contract is done. **There has to be a better way to fulfill your mission, stabilize a tenuous enrollment situation, grow internal capacities, and develop strategic expertise needed for the future, and not only survive but thrive.**



Well over 60 percent of colleges and universities in the United States are in this exact position. They've looked at what the OPMs offer and have decided that it's just not worth it. Another 10 percent have worked with an OPM in the past and are now on the other side of those contracts, taking a stab at going it alone. New ventures and long-standing providers alike are seeking new markets—content creators, learning management systems (LMS) providers, call center operators, marketing firms, and enrollment management consulting firms. They are also paying attention to the need for a better model, a model that will provide a firm foundation for institutions to thrive for the next several decades.

The online program market and its discontents

The marketplace, composed of colleges, universities, prospective and enrolled students, and a multiplicity of service providers, is being subjected to the vicissitudes of demographic, cultural, social, and technological change unlike anything we have experienced before. This is happening to a “market” that never thought of itself as a market at all. The one thing that this market has become entirely sure of: online education is here to stay.

In 2017, the U.S. Department of Education Integrated Postsecondary Education Data System (IPEDS) Survey reported that 13 percent of undergraduates were enrolled in fully online programs, as were 29 percent of graduate students. Another 20 percent of undergraduate students and 9 percent of graduate students were taking at least one online class. This means that only 67 percent of undergraduates and 62 percent of graduate students were in a program that was not technology-enhanced.



A quick translation of these numbers reveals that **at four-year public institutions, 1 out of every 14 students is now distance only, and at four-year private institutions, the number is 1 in 7.**³ Given that online enrollment continued to climb in a five-year period (2012-2017) during which we lost almost 1 million students at our colleges and universities, we can conclusively say that online education is not going away.

The U.S. Department of Education (USDoe) has been tracking the growth of not only online students but also the growth of online programs—particularly master's programs (where many institutions started their first forays into online education). In addition to highlighting the rapid adoption of these programs, statistics also show the fast-growers are those that are tied closely to career advancement: Master of Business Administration, Master of Accounting, Master of Criminal Justice, Master of Public Administration, and Master of Social Work.

It is worth noting that the USDoe statistics are historical, and OPM providers and their university partners have launched online degrees since 2017 in every subject from anthropology to zoology. Of the approximately 750,000 master's degrees awarded every year in the U.S. (the total graduate student population stands at about 3.2 million), over three-quarters of the topics of those degrees are now available online—even degrees traditionally considered difficult to teach in such a context, like those that require lab work.



**STUDENTS
IN FULLY
ONLINE
PROGRAMS
OR TAKING
CLASSES
ONLINE:**

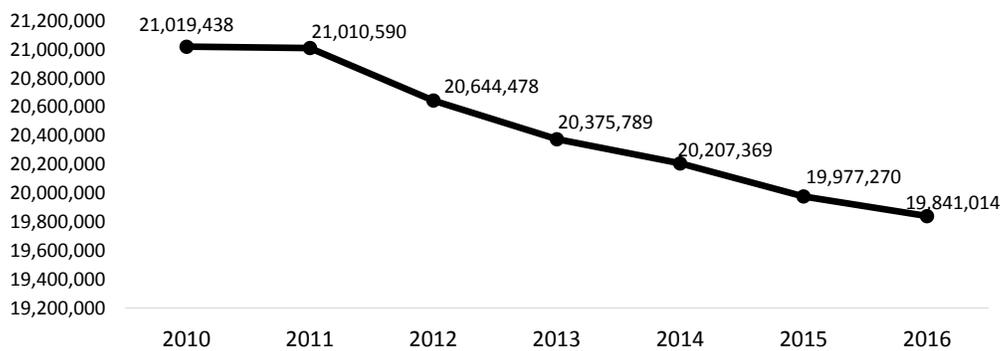
38% graduate

33%
undergraduate

³For full historical results: <https://nces.ed.gov/ipeds/>

The *Online College Students 2019* report (jointly produced by Aslanian Market Research and the Learning House) indicates that 61 percent of online graduate students and 55 percent of online undergraduate students enrolled in a program in either business, health professions, or computers/IT. At the same time, programs in education took a hit with only 11 percent of graduate students and 6 percent of undergraduates choosing these programs. This implies an unquestionable demand for programs directly translatable into employment goals. And they want evidence that offered degrees and programs work.⁴ Efforts to track outcomes hasn't been a strong suit of traditional OPM providers and will create additional pressures.

TOTAL ENROLLMENT AT DEGREE-GRANTING INSTITUTIONS



Source: Digest of Education Statistics

The growth in online degrees reflects changing demographics (both in absolute numbers and in the diversification of the cohort of students considering higher education) and is complicated by the intense competition for available prospective students. As stated, American colleges have lost 1 million students in recent years, but online enrollments keep growing, albeit incrementally, in that same period. The 2017 *Changing Landscape of Online Education* (CHOLE) report by Quality Matters and Eduventures states that well over 50 percent of both public and private institutions said things were much more competitive than they were five years earlier.⁵

With competition comes winners and losers. At the most extreme, a recent Ernst & Young study⁶ concluded that as many as 800 colleges are at risk of closure or merger over the next decade in response to the same pressures that are driving competition and innovation. Interestingly, the criteria they used to determine those most at risk were: having fewer than 1,000 students, tuition increases greater than 8 percent, discounts higher than 35 percent, and the absence of online programs. The stakes are high.

⁴ Clinefelter, D, Aslanian, C, & Magda A (2019) *Online College Students 2019: Comprehensive Data on Demands and Preferences*. Louisville, KY; Wiley edu, LLC. Available at: <https://www.educationdynamics.com/e-books>

⁵ Available at: <https://www.qualitymatters.org/sites/default/files/research-docs-pdfs/CHLOE-First-Survey-Report.pdf>

⁶ https://cdn.ey.com/parthenon/pdf/perspectives/P-EY_Strength-in-Numbers-Collaboration-Strategies_Paper_Final_082016.pdf

The OPM Marketplace

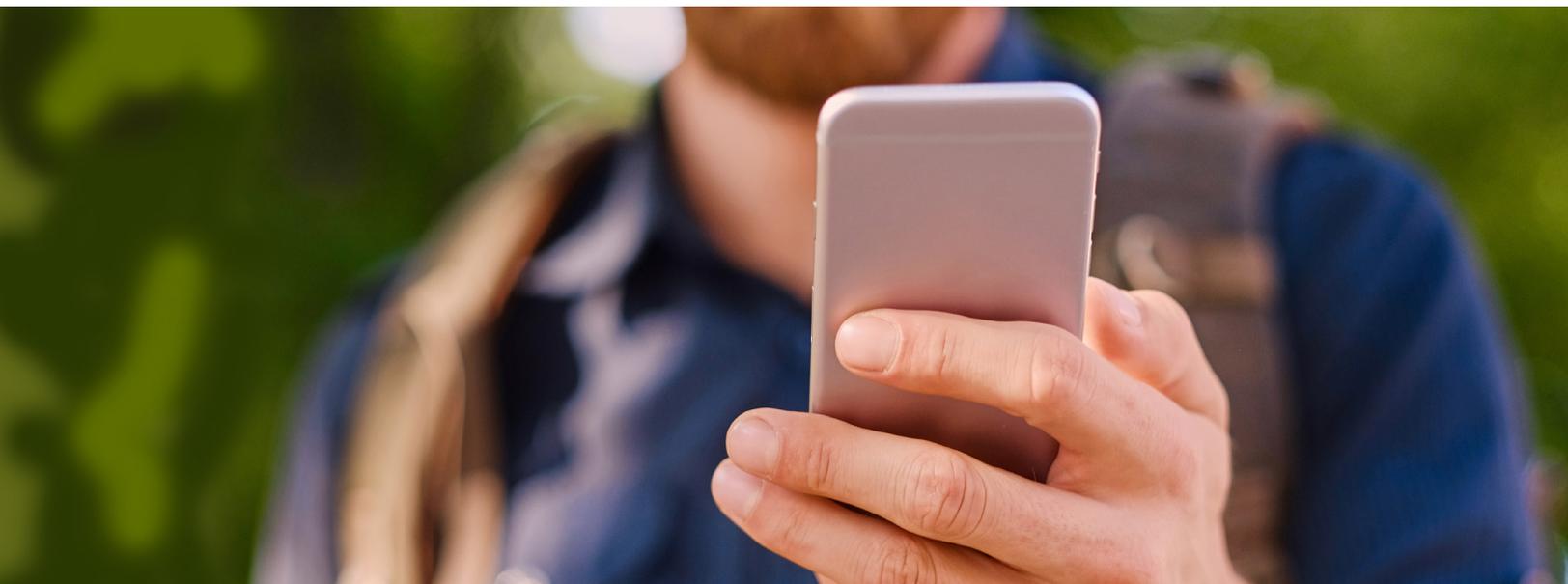
The OPM marketplace that has grown to address these stakes is amorphous and difficult to clearly define. There are, however, ways to categorize and segment these providers based on any number of variables (the most typical are business model and service composition) in an effort to make sense of it all.

THE TRADITIONALISTS: The largest group, generally technology-first companies, and subsequently marketing companies, offer a full-service approach—encompassing marketing, recruiting, enrollment management, course development, technology platform integration, teaching, assessment, and retention services—for which they provide all upfront funding and take 50 percent or more of tuition and fees revenue for 5 to 10 years. Representative members of this group include 2U, Academic Partnerships, and Bisk.

THE NEW MODEL EXPERIMENTERS: In response to the Traditionalists, a considerably smaller group of around 10 providers have developed, differentiating themselves from the older approach either through a different revenue model (e.g., fee-for-service) or by offering different constellations of services. Notable members of this group include iDesign, Noodle Partners, and Extension Engine.

THE EMERGENTS: This even smaller but growing group is made up of companies dissatisfied with either approach, or are trying to access the same market in an entirely different way, or from an entirely new perspective. Business models vary, as do the services offered. In this group, one can find MOOCs as well as interesting joint ventures. Some examples include Coursera, YellowBrick, and Blackboard.

Within each of these groups—and even between them—there is a great deal of frenzied experimentation going on. And while the churn is symptomatic of an industry under intense pressure, it also reflects a deeper, perhaps even existential, suspicion that there is a better, fairer, and more honest way.



While data suggest that institutions partnering with an OPM do see significant enrollment growth over those that go it alone, that enrollment growth and the resulting revenue is only a small part of the story. The larger story is often one of the contentious interplay of competing cultures and misaligned values between the institution and the OPM. A few examples, taken from the perspective of both OPM providers and their clients:

- ✓ The current turbulence in the OPM marketplace is that higher education resists commodification, especially in an era when more and more prospective students are thinking of their education as yet another thing they need to buy, and for which they want a return on investment.
- ✓ Meaningful scale is tricky outside of a select group of high-demand programs. Moving beyond those program areas—if revenue is the only goal (as it is for the OPM)—may seem counterproductive but must be evaluated in terms of the school’s brand value and mission.
- ✓ **Oftentimes the first programs at any given institution that are ready to go online are NOT the high-demand topics**, and therefore many OPMs are not interested in taking them on.
- ✓ For OPMs, the higher margin activities—like marketing—offset the considerably less profitable aspects of the engagement like the help desk or retention. In turn, this creates tension between what is profitable for the providers and what is both innovative and fundamentally important for a school’s future.
- ✓ **The OPM partnership further denies the college or university the opportunity to develop the talent needed to develop online course content** and related services that are increasingly fundamental to the ongoing success of the institution.
- ✓ The cultural mismatch is perhaps even more apparent in the feelings of college and university faculty towards OPM providers. According to the *2017 Survey of Faculty Attitudes on Technology* from *Inside Higher Ed*, only 5 percent of higher education faculty said that OPMs should be involved in any aspect of course delivery. But the more striking number is that over 50 percent thought OPM providers shouldn’t be involved in any capacity.⁷
- ✓ Finally, anecdotal evidence suggests that **should things not work as promised, divorce from your OPM is messy**. One on hand, of course, there is an enormous amount of money at stake, as well as investment tuned to the future. On the other, there is accrued experience and knowledge as well as a desire for greater visibility into prospect and student data. Ownership of information can be another drawback. For instance, any SEO gained is lost after a contract is dropped.



Although there is very little up-front investment, the long-term costs of working with an OPM are significant, rife with dangers and pitfalls for most colleges and universities. There have, of course, been some efforts to address the most obvious weaknesses. With only a few exceptions, most of these have been changes in emphasis or language, rather than a fundamental rethinking of how the OPM model ought to work.

⁷ <https://www.insidehighered.com/booklet/2017-survey-faculty-attitudes-technology>



No compromises or loss of control: The RNL Graduate and Online approach

Many of the hurdles with technology and faculty willingness to teach online have receded in recent years. Today, the greatest challenge for the development and deployment of online programs—driven by the speed of change, not only in terms platforms and methods but also in demographics and engagement models—is marketing. Any effective online program strategy must have marketing at its heart, because there are simply too many choices available to students today to think that “if you build it, they will come” of their own free will.

Marketing alone, however, cannot make online programs work. Institutions need a constellation of capabilities, many of which are riding their own chaotic waves of change. **Despite nearly 30 OPM providers saying differently, no one company can seriously claim to offer the best solution to this most necessary of transformations for institutions everywhere.**

Instead, for those institutions for whom an OPM relationship is unacceptable, a network of first-in-class providers—anchored to a profoundly experienced internal institutional team—can provide the majority of full-cycle services to support online programs, at a substantial long-term discount, and in a manner that provides significant future resiliency.

RNL Graduate and Online is our solution, one that meets you where you are, rather than where you want to be. This solution has been designed for institutions that desire to maximize the enrollment potential of existing programs, optimize their mix of programs, and launch new online programs or other types of programs for nontraditional audiences—while maintaining more control and financial flexibility along with nurturing and extending both their brand and their mission.

RNL Graduate and Online begins by assessing where you are in serving these nontraditional student populations. Then we help institutional stakeholders prioritize their needs. This then leads to identifying the gaps in their capacity to offer high-quality programs in which students will enroll. In doing so, we are seeking to address the most significant flaws in the current OPM model; recognize the enhanced levels of sophistication that institutions have attained in thinking about (and delivering) student management, enrollment, and delivery at distance; and squarely focus on the strategy, planning, and successful market entry of new brand-aligned programs and degrees.

We do all of this by assembling the highest quality and most experienced internal team members augmented by a network of partner specialist companies and resources through the **RNL Marketplace**, all of whom share the same commitment to the client, managed centrally on a program-by-program basis. This provides one centralized point of contact, a new and easier way to find **a virtual online program catalyst**.



RNL GRADUATE AND ONLINE IS DESIGNED FOR:

- Maximizing enrollment in existing programs
- Optimizing mix of programs
- Launching new online or graduate programs

GIVES INSTITUTIONS:

- More control
- Financial flexibility
- Greater support for brand and mission

THE CLIENT-FIRST PRINCIPLES THAT UNDERLIE THIS MODEL ARE BOTH SIMPLE AND POWERFUL:



COLLABORATIVE: We partner with you to meet your goals in a way that leads to the expansion of institutional capacity.



CUSTOMIZED: Our approach recognizes and celebrates the uniqueness of your institution.



STRATEGIC: Understanding overrules speed. No program should begin until all parties appreciate what's involved—from underlying strategy to in-market reality.



PROTECTIVE: Brand matters, from the smallest to the largest school. Cutting corners for short-term gain hurts in the long term. Same with reputation.



DATA-INFORMED: Market research should underlie every decision about what to build, how to build it, and for whom. Not every opportunity is right for every institution, and data need to be shared with stakeholders, so everyone is on the same page.



GENUINE: Programmatic expertise cannot be faked or glossed. Experienced teachers and researchers are critical to the success of a program's financial and educational outcomes.



FORWARD-THINKING: Digital-native course material will win in the long term. Well-crafted translations will work in the short term.



STUDENT-CENTRIC: Students are individuals with individual needs, dreams, and circumstances. Honed digital marketing can speak to this far better than scattershot collectivization.



ENGAGING: Recruitment is first and foremost about the conclusion of a successful conversation. Every interaction—before and after—is important and is to be honored and respected as such.



TRANSPARENT: Online program management must be a shared effort between the school and its outside partner. Transparency and shared risk ensure longevity and successful outcomes.



INTELLIGENT: Every interaction between the school and its outside partner conveys knowledge and expertise to both parties. In the end, that expertise creates opportunities.

These principles offer colleges and universities an alternative conceptual and practical approach to launching programs that reflect their best selves and are attuned to the needs of the market, their students, their faculty, and their long-term viability in the changing educational landscape.

The ideal approach for many institutions

This campus-based approach provides a more strategic option that ensures you have experienced guidance and all the necessary resources without loss of control or revenue. Here is how the process would work for your institution:



Market Insights

Our market research team explores market opportunities for new program development, making use of current national and regional enrollment trends, labor statistics, employment trend projections and career path tracking, and demographic analysis. It also includes persona development to understand the student segments you want to reach and the best ways to engage them. This research allows you to determine which degrees and programs are good investments now, and which might be worth considering in the future.

✓ Academic Program Research

✓ Academic Program Prioritization and Planning

✓ Audience Persona Development



Consulting/Planning

Guided by the data from market insights, your RNL consultants provide in-depth strategic analysis and planning, exploring how online programs fit within your institution's larger plans, how programs might work in the context of existing programs and systems, and what your desired state might be at the end of the engagement.

✓ Scorecard Consultation

✓ Playbook Strategy

✓ Strategic Enrollment Planning



The Scorecard Consultation

Assesses your readiness to be successful in the graduate and/or online marketplace. It's a self-assessment of your organizational structure, your program configuration, your marketing, outreach, and enrollment processes (and more), and sets the parameters for a round of face-to-face meetings.



Lead Generation

Finally, your consultant and RNL team put your data and planning into action with omnichannel campaigns that reach your target audience in the channels they use every day. Leverage digital marketing strategies on social media, search engines, and websites to maximize your reach online while driving engagement and qualified inquiries. Then utilize email, mail, and phone to complete engagement coverage.

- ✓ Digital Marketing Strategy, Media Plan, and Execution
- ✓ Search, Social, Display, and Video Prospecting and Retargeting Campaigns
- ✓ Direct Mail, Purchased Lists, and Database
- ✓ Phone Qualification With Campus Visual Caller ID
- ✓ Tracking Digital Marketing KPIs and Funnel Movement

At the conclusion of your engagement with RNL Graduate and Online, not only do you have a new online program or degree, but also the embedded knowledge to translate subsequent decisions about strategic growth into real-world solutions.

THE RNL MARKETPLACE: ONE STOP FOR GRADUATE AND ONLINE SOLUTIONS

No one firm can do it all in today's complex higher ed environment. Successful campuses use multiple vendors who can address specific needs and create a comprehensive approach to graduate and online enrollment.

RNL is taking this one step further with the RNL Marketplace. It gives you one portal to find additional companies and solutions to fit every need for graduate and online enrollment.

See how at RuffaloNL.com/Marketplace.

All together, something new and right for higher education

The marketing-led partner model—as embodied in all that RNL Graduate and Online does—recognizes the underlying realities of what online program development and management means to colleges and universities in a highly competitive environment. It addresses the expertise gap that currently exists in the marketplace, the misalignment of incentives that create friction between schools and their OPM partners, and offers a financial framework that shares risks and rewards in an equitable manner while ensuring that client schools develop the expertise they require over the long term.



RNL + CONVERGE = THE NEXT EVOLUTION IN GRADUATE AND ONLINE ENROLLMENT MANAGEMENT



ABOUT RNL

RNL is the leading provider of higher education enrollment, student success, and fundraising solutions. More than 1,900 colleges, universities, and nonprofit organizations rely on RNL for advanced analytics, personalized engagement, and industry-leading insights to achieve their missions. The firm is focused on the entire lifecycle of enrollment and fundraising, assuring students find the right college or university, graduate on time, secure their first job in their chosen field, and give back to support the next generation. RNL conferences, research reports, papers, and articles help clients stay on top of current trends.

ABOUT CONVERGE

Now part of RNL, Converge leverages data-driven digital marketing practices to connect the next generation of learners with best-fit institutions and programs, developing sound strategy and translating it into campaigns that deliver ROI. Converge has worked with 100 institutions and more than 300 programs in the graduate and online space for digital advertising, content and communications, data analytics and reporting, website strategy and optimization, and strategic consulting.



Visit RuffaloNL.com/GradOnline
Email ContactUs@RuffaloNL.com
Call **800.876.1117**

Are you ready for RNL Graduate and Online?
Find out with a free consultation

Ask for a free consultation with our Graduate and Online enrollment experts to discuss your challenges and opportunities. Visit RuffaloNL.com/GradOnline to request your consultation.