Online Program Management

Scenario
Melissa Carolli, the provost at Churchill State University, is watching with some trepidation as many of Churchill’s peer institutions expand programs offered online. With both financial resources and staff already stretched thin, Churchill has not found a way to effectively create and sustain online programming. Nonetheless, Carolli knows that online programs have enabled some of Churchill’s peers to tap new student populations and find new revenue streams. Moreover, she believes that online learning is a powerful pedagogical modality that Churchill must engage in.

One of Churchill’s competitors successfully created an online version of its signature undergraduate program in nursing. A different peer institution found that an online adaptation of its highly regarded master’s program in information technology management attracted adult students who were unlikely to enroll in the residential version of the program. Colleagues at both institutions were gracious in sharing their experiences with Carolli. Neither institution had the in-house resources, including funding and know-how, to plan, develop, and launch an online program on its own. Both institutions elected to bridge that gap by contracting with a vendor of online program management (OPM). In the case of the nursing program, the institution contracted with an OPM vendor to provide marketing, student support services, and technology à la carte. For the master’s program at the other institution, the OPM vendor is delivering a “soup-to-nuts” migration of the residential IT master’s degree to a new online offering.

Churchill has long been known for a distinctive master’s program in special education. After extensive consultations with colleagues on campus, Carolli decided that Churchill would venture into the online space with a version of that program. Before that could happen, though, she interviewed a dozen OPM providers and hired a consultant to help her navigate this unfamiliar terrain. It took more than a year, but Churchill signed a contract with an OPM vendor to create an online master’s in special ed. The vendor will fund the venture with its own capital and hire contract faculty on its own, but it will work with Churchill faculty to create the curriculum. The vendor will also provide the necessary technological infrastructure, enrollment marketing expertise, back-office support, and other student services to make the program a success. Churchill and the vendor will share program profits in the future. The online program launches this fall.

1 What is it?
Online program management (OPM) generally refers to the practice of contracting with external, third-party organizations that help colleges and universities develop and deliver online degree or certificate programs. OPM providers offer support in such areas as market research, marketing, enrollment management, student retention, career services, and instructional design. OPM can also provide technological solutions and help with curriculum design and course delivery. It is often used to jump-start an online presence for institutions that do not have that capacity in-house. Another common goal is to generate revenue from increased student enrollment. Examples of the use of OPM might be the development of online programs leading to a degree or a certificate, or the development of specific variants on traditional curricular offerings (e.g., “Chinese business and culture”).

2 How does it work?
A range of OPM options have emerged. Some are based on a “tuition revenue share” model in which a vendor provides the services necessary to design and deliver an online program. In such cases, the vendor shoulders most or all of the upfront costs of program development (and much of the risk) in exchange for a significant share of program revenues over a specified, often lengthy, period of time. More recently, a fee-for-service model has evolved in which institutions contract with OPM vendors for particular services, selected cafeteria-style. Models that blend those two strategies also exist, as do OPM providers focused on MOOCs and others focused on for-profit institutions converting to nonprofit status.

3 Who’s doing it?
A wide range of institutions are engaged in OPM, which can be based in one or more units in a larger institution or as part of an institution-wide partnership/contract—due to the costs and contract obligations, such engagements typically aren’t undertaken by individual faculty or departments. George Mason University is working with Wiley to launch 15 online master’s-level programs in fields such as special education, health systems management, and data analytics. Rochester Institute of Technology is working with 2U to create an online version of its highly regarded master of architecture degree. Michigan State University partnered with Wiley to expand enrollments in...
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master's degree programs in criminal justice and law enforcement and create a new online master's in cybersecurity. Schreiner University, Loma Linda University, and Salve Regina University have all partnered with iDesign to create or expand online nursing programs. The University of Virginia contracted with Noodle Partners to launch an online version of UVA's Master of Science in Data Science. In an initiative that might signal another direction for OPM, Georgia Tech, Udacity, and AT&T created a MOOC-based online master's degree in computer science that charges students less than 20 percent of the cost of the comparable face-to-face program. OPM contracts from 79 public colleges and universities are posted online. A graphic online reports on the most common disciplines and programs using OPM vendors.

4 Why is it significant?
A partnership with an OPM vendor can provide outreach, marketing, technological expertise, and other related skill sets for online programs that might be outside an institution's core mission and expertise. Such providers can bring working capital that a college or university might find hard to raise. OPM vendors can sometimes bring an online program to market faster and more efficiently than an institution could, while also assuming more of the risk. The opportunities that OPM vendors develop might open doors for learners otherwise unable to access education. In some cases, OPM relationships have helped institutions rapidly scale new offerings to new student markets.

5 What are the downsides?
Some observers see the trend toward OPM as a slippery slope to the commercialization of higher education and the erosion of institutional control of academic missions. Working with an OPM vendor can blur lines for institutions and faculty around academic freedom, program direction, and ownership of intellectual property.Facilitating scalability and increased enrollments might require the use of an OPM vendor's learning content creation format and delivery platform, and a standardized OPM course template might conflict with faculty teaching goals and methodology, creating an impasse between academic freedom and institutional business needs. Some worry that yielding control of academic programs to for-profit entities can jeopardize program quality and put students at risk of financial exploitation. Institutions might take on a significant level of financial risk by contracting with an OPM, and payoffs from such relationships can take many years to be realized. In some cases, institutions might use OPM to launch academic programs similar to those at competing institutions, saturating certain markets. A majority of faculty dislike working with outside vendors on academic programs. The desire to make online programs profitable might push institutions to lower standards and/or enroll underqualified students, such as those working to overcome second-language barriers. Negotiating OPM contracts requires a breadth and depth of skills and knowledge that some institutions lack.

6 Where is it going?
In response to challenges in the use of OPM, expect to see calls for more transparency about OPM contracts and processes. More attention will be paid to OPM program quality and related course and curriculum design. Expect also to see deeper scrutiny of OPM program outcomes, including analyses of student and faculty experiences in OPM-developed programs. Growth in OPM might tilt toward short courses and certificates instead of degree programs, and more OPM contracts might include undergraduate programs. Institutions will become more sophisticated about entering into and sustaining relationships with OPM vendors. New variations of OPM models will likely evolve, including more hybrid relationships that blend revenue sharing with a fee-for-service model. Consolidation among OPM providers is likely to continue. OPM might become more heavily regulated by state and federal agencies, and accreditors might provide more oversight. OPM vendors might increasingly elect to provide educational programming without partnering with institutions of higher learning. More institutions might choose to build their own online programs without external OPM support.

7 What are the implications for teaching and learning?
By expanding opportunities for online learning and by sometimes scaling academic programs through the use of master course design, OPM models have the potential to help more students— notably adult learners—access higher education. OPM relationships that focus on supplying technology and other supports for online course and program delivery free institutions to focus on essential elements of their missions for teaching, learning, and research. Arguably, by obliging colleges and universities to ask critical questions about how best to design courses and teach content, and by pushing toward team-based course design, OPM vendors are prodding colleges and universities to go outside their comfort zones in terms of how they start programs, develop curricula and courses, and deliver learning. Moreover, OPM compels higher education to rethink how it evaluates course quality, pedagogical effectiveness, and learning outcomes.