

TOPcast Episode #153: Better Serving Learners Through Transformed Business Models

Narrator: When you realize what your future can be, you want to do it right. UCF Online offers more than a hundred fully online programs, plus personalized support from success coaches so you can get to the future that's right for you.

(Musical Intro)

Tom: From the University of Central Florida's Center for Distributed Learning...

Kelvin: And the University of Louisville's Delphi Center for Teaching and Learning...

Tom: I am Tom Cavanagh.

Kelvin: And I am Kelvin Thompson.

Tom: And you are listening to TOPcast, the Teaching Online Podcast. Hello, Kelvin Thompson.

Kelvin: Hello, Thomas B. Cavanagh.

Tom: [Chuckle] Hey, you got the B in there. Very good.

Kelvin: Yeah. [Raises coffee mug]

Tom: Kelvin Z. Thompson.

Kelvin: I don't discuss the middle name. [Sips coffee]

Tom: [Chuckle] Okay, fair enough. Well, that was an interesting mug you just flashed on the camera there. I picked that up. What is that?

Kelvin: That's my holdover. [Raises mug to camera] I should, Tom, wish you and our listeners a very happy new year as we release right here on New Year's Day 2024, welcome to 2024, but I am still using a December holiday themed Jingle Bell, Jingle BAM! vintage Disney mug, Tervis tumbler, some of Florida's best. [Sips coffee mug]

Tom: Tervis tumbler, yeah. It looks very festive. I can't match it. I've got an iced coffee going today, so it's just in a regular old thing with a straw in it. [Sips coffee]

Kelvin: Regular old thing with a straw in it. [Chuckle]

Tom: Yeah, I'm using all my fancy terminology on you...

Kelvin: [Laughter] Happy New Year. Here we are in 2024. We're not recording this in 2024 because it's New Year's Day as this releases, so we had to do it in 2023.

Tom: Yeah, but it's pretty close.

Kelvin: Yeah, we're really close.

Tom: I can see it from here.

Kelvin: That's right. [Chuckles] It's downhill or across the way, something. You've got an iced coffee, something with a straw in some kind of a thing. You're probably wondering what I'm drinking in my very festive mug. [Raises mug]

Tom: I am.

Kelvin: My coffee today is a single-origin Yemini mocha, and it comes from a new roaster, and new to me roaster, Swiss Mountain Coffee in Zion, Illinois. The owners are a couple of culinary school grads, but they're doing something very interesting business-wise. They're offering, in addition to their coffee, coffee-infused health and hygiene items like soaps, and lotions, with the unroasted coffees; they do stuff with that. And they're partnering with a startup called Coffee Creations, LLC, across the river from me here in Louisville, across the river in Charlestown, Indiana to upcycle coffee related crafts. So, it's really interesting work.

You'd think that a couple of chefs would just stick to making good coffee, but they're thinking differently about what we expect out of a coffee roaster. I should add importantly that they have as a goal to make a meaningful connection with developmentally disabled adults in all of those lines of business, the roastery, the coffee infused products, and the coffee-related crafts. It's all really interesting. I'll put some links in the show notes, but I kind of thought there was maybe a little bit of a line to be drawn between all of that in today's episode topic. Could you find a connection to today's episode topic? [Sips coffee]

Tom: Maybe. I love everything about it though, the mission behind it, and the different creativity that's evident in the products that they're producing. I will say maybe there's something in kind of the innovative entrepreneurial spirit there. It seems like they've really, really maximized what you can do with coffee, and have been really creative, and innovative in how they've done it. I think that if that is your connection, I think it plugs into the side of what we're doing here.

Kelvin: Yeah, that's what I was shooting for. Yeah, it's really kind of cool actually with this business I met. I was at one of these market fair kind of things, and both of the businesses were there, and the LLC is run by one of the chef's/roaster's

mothers and sisters, and his younger sister has Down's syndrome. Their mom and the sister have come up with this upcycling craft thing, and then the sister is really learning a lot about the craft of roasting beans, and that's how they got this vision of like, man, developmentally disabled adults is a real opportunity to connect into all the lines of the business. It's really cool. She actually created, the sister, several coffees of her own, so I'll put some links in there because all the money from those coffees goes to her, which is great, which is really wonderful.

Tom: That's awesome. Cool.

Kelvin: Yeah, yeah. Yeah.

Tom: All right, so do you want to explain to our listening audience how that does sort of plug into the topic?

Kelvin: [Chuckles] I will do my best, but you feel free to come behind me with some spackle.

Tom: [Chuckles] Okay.

Kelvin: So, in our fairly recent 2023 end of call-in show, wrapped up 2023, kicked off 2024, Dr. Bob Hansen, CEO of UPCEA, made a statement that stuck with us. He said, "Campus leaders may have to choose between business model transformation and legacy structures that do not translate to the complex marketplace of serving today's learners." It seemed to us that this statement could bear a little bit more unpacking and exploration as we all seek to move forward in our work here in the new year of 2024. How's that?

Tom: Yep, yep, yep. That's it. Business models, budgets, entrepreneurship, innovation – how does that touch the work that we do every day in online learning? Yeah, I mean maybe people in positions like yours and mine, sort of the COLO (Chief Online Learning Officer) of an institution, but I don't think it's exclusive to that. I think it touches any role that you're in, instructional designer, faculty, graphic, artist, programmer; I mean all of those require a certain level of innovation, entrepreneurship. We all work in these kinds of little internal startups in a way. I don't know if any of us consider ourselves mature enterprises. Even if we've been around a while, feels like we're always evolving.

Kelvin: Mm-hmm. I'm really glad you said that about the multiple roles because I was about to say, and you, dear listener, please don't press stop or pause if you're like, "This is not your jam, this business model," and we said all those words, budgets, and you're like, "Ugh!" But to your point, Tom, I think about, well, two other guests from 2023, Dr. Kathy Gosser and Neil Mosley, both of whom were also featured in that 2023 call-in show. They both, I think from their vantage points as a faculty member who teaches online classes and as an instructional designer, educational developer kind of consulting person, in Neil's case, they talk about

this stuff as well. They're thinking about the implications, like you just talked about, these different structures, how that applies to their particular role. That's important for all of us. I think that's exactly right. Good for you.

Tom: Yeah, yeah, absolutely. I mean, it was Neil that sort of talked about serving learners on a mission rather than just kind of diversifying and generating new revenue, right?

Kelvin: That's right.

Tom: It puts me in mind of what Joel Hartman used to say; Joel, colleague of ours at UCF, who has since retired.

Kelvin: Mm-hmm.

Tom: One of the things I learned from Joel was that make sure you're doing it for the right reasons, mission aligned, and if you do it right, with meaning the organizational structure of the funding flows the right way, and all of that, then the money will take care of itself. If you think you're doing it for money, and it's not mission aligned, it's doomed. There are very high-profile examples of that across the space over the past 20 years.

Kelvin: Yeah, I don't remember this quote exactly, but it was in an early meeting that I had here with the former provost, and she made this... She just kind of tossed this little phrase off, and it was something like, we were talking about budgets a little bit, budgets are... What I'm going to say is not as elegant as what she said, "Budgets are indications of our values," and I think that's exactly something to hold onto, kind of to Joel Hartman's point as well.

Tom: Yeah, it's really true. I think we've said this before, I didn't make this up, but there's plenty of money for all of the initiatives. It's just being spent elsewhere, right?

Kelvin: Mm-hmm.

Tom: It's like if it's important, it'll get the funding and the resources associated with it. Yeah, I think that's true. I've heard Joe Zolner, who has run the professional development programs at Harvard had said when I went through one of those programs many years ago that, "If you don't have a strategy, your budget is your strategy."

Kelvin: Right.

Tom: It's sort of tail wagging the dog.

Kelvin: Right.

Tom: So, I think all of that sort of ties into this idea of what's the most effective structure for accomplishing the mission that you, and online learning, or your role in online learning has been charged to do.

Kelvin: Mm-hmm.

Tom: I think back to the conversation that we had with Jocelyn Widmer when she was on the show, and she talked about doing all those interviews, like a hundred interviews, with different chief online learning officers at institutions. What prompted that research on her behalf was trying to find what is "the" proper perfect business model organizational structure that she should adopt at A&M. She ended up finding out that there wasn't one solution. There was what fits your context.

Kelvin: Mm-hmm.

Tom: Now, there are elements that may work or whatever, but you can't just say, "This is the model." It just didn't seem to fit anywhere, which I thought that's an interesting learning in and of itself.

Kelvin: Yeah, I think all of that's right, and part of that context is your institutional budget and budget model classification might be quite different than a colleague's, even though you personally both have a high view of the place of online education and its strategic role. Because of the structure of the budget, and because of things like reporting lines, and other kinds of internal institutional structures, your results may vary in terms of how you proceed.

Tom: Yeah, yeah. Of course, the world that I live in, that I know you're very familiar with, is in many ways I feel unique in that, not in reporting lines. I'm in academic affairs, and a lot of places are like that, and actually I think that is the right place for an organization like ours to be.

Kelvin: Mm-hmm.

Tom: But, the funding is so dependent upon a restricted auxiliary, that is a student fee that's statutorily governed, that creates such administrative oversight to ensure you're not spending the wrong color money on something that you're prohibited from spending it on. It's real easy if you don't pay attention to that to get yourself in trouble. You would actually be breaking the law if you spent this money on that thing, even though both of them are important, and it forces us to go through these real machinations to make sure that we're staying compliant, yet still doing everything we can to accomplish the mission.

Kelvin: Mm-hmm. Yeah, I was thinking about this in preparation warmup for today's conversation, but there there's all kinds of, and this is more your doctor MBA world than my bread-and-butter things I think of every single day. I have to

stretch to live here, but all the various permutations and combinations of different budget models. I know what I know, and I'm actively trying to learn every day. You could classify a lot of things simplistically as centralized approaches versus decentralized approaches.

Tom: Yeah.

Kelvin: In light of what you were just saying, Tom, I think about pre-statutorily governed student fee at your institution. You could argue that there were some centralized decisions that were made historically by senior level administrators to invest in online and digital learning back then, in a way that would not be easily replicated there, or at other institutions today, I think.

Tom: Yeah, I agree, and I think that it's a necessary investment now if you want to get in the game.

Kelvin: Mm-hmm.

Tom: I think you would have to justify to a board why you're not in the game given the post Covid emphasis on online learning, the growth that we've seen. I mean, it was growing every year. I mean, according to the CHLOE reports and everything else, it was growing every year, anyway. Covid, I think, accelerated that in many ways.

Kelvin: Mm-hmm.

Tom: We've talked about this before, if you're an institution that didn't have an online strategy pre-Covid, you better have one now.

Kelvin: Mm-hmm.

Tom: That is going to require a level of investment probably, and understanding a business model, and just look at all the searches for various directors of online learning, or whatever the case might be that are going on now. I think that's a reflection of some of this recognition, and every single one of these places has a different kind of structure to your centralized, decentralized model.

Some places take all the money in centrally, and do everything, and then buy services almost like an internal OPM like, "I pay for the faculty, I'll pay for admission staff, or financial aid staff, or whatever it is that you need." Then others, it's a much more distributed model where it gets, according to a formula, when the money comes in, each dollar gets chopped up into a bunch of different pieces, and you as a centralized support unit may only get a piece of that, but you're not responsible for doling it out. You have a lot less control in a situation like that, but you also potentially have less overhead to manage it, and it is scaling

on the back of the institutional infrastructure already, so you don't have to recreate or pay for some of those services.

Kelvin: It was probably helpful to spend a moment or two talking about, to harken back to Bob Hansen's concept of legacy structures, versus kind of new models or transformed models. But before we go there, just a plug or two, we'll put a link in the show notes. Please, if you don't remember the episode with Dr. Steve Ehrmann about related insights from his extensive institutional case study book that uses his phrase, "threefold gains," of the threefold gains being gains all simultaneously related to quality, access, and affordability, that's worth a listen. UCF is featured in there as an institution that has leveraged online and digital learning to accomplish those threefold gains, but the other five institutions didn't. It's interesting just to look through those institutional contexts again, and think about how does online learning fit in, support, or relate to, as we're all seeking to advance student success, student retention, student persistence, student graduation. Anyway, just a plug I think I'd be remiss if I didn't say. Business models, and legacy structures, and transformation; maybe we spend a few minutes there, what do you think?

Tom: Yeah, it's interesting too because I've been giving a lot of thought lately and having conversations internally to this concept of "What got us here may not get us there."

Kelvin: Mm-hmm.

Tom: Maybe there is some transformation necessary even to what I would consider a successful operation like ours, depending upon what our ambitions are, that our current organizational structure may not be suited for the revised goals that we might have. I think that could apply to a lot of places, especially if you don't have, or didn't have, a robust or really meaningful online strategy, getting one means that you probably need to reevaluate how you're supporting it.

Kelvin: Yeah, I mean, I think that's all true, and maybe at a broad level, I mean, not to be crass about it or anything, but there's a certain amount of, I don't know to what extent all of us, given that we have diverse roles, listeners of this podcast typically live somewhere in between one or more of three roles, online faculty, and instructional designer types, and administrative leader types, and maybe not everybody thinks in terms of business models all the time. But at the risk of being a little crass, some of this is how does the money flow, and is this really about student tuition dollars, and how far you can stretch those, or where you slice them? To your point, Tom, the dollars exist. [Chuckles] They're flowing somewhere else, and we need to dam up the river, and make them flow over this way.

Are there other sources of revenue or dollars flowing? In the world of UPCEA, that's also professional and continuing education, that's not just academic online

learning, how does that fit in and different kinds of structures? It's not just traditional academic term length courses that we're talking about. There's all kinds of other, dare I say, products, and experiences, and so forth. How do you think all that fits into different innovative structures that would give you a different result?

Tom: Well, I think at the core, it requires us to kind of have an entrepreneurial sort of mindset. Whatever business model you inherit or are able to create, it's going to be imperfect, and you're going to need to be able to be innovative and entrepreneurial to make it work. In fact, you just mentioned UPCEA, and Julie Uranis, Vice President at UPCEA, made a prediction in a recent document where she's talking about the number of chief online learning officers, who are making the transition to more senior roles, whether that's provost or something else, and they have to have a lot of different multi-varied skills in order to make that transition. It includes, yes, being part academic, but as she says, part entrepreneur, part technologist, sitting in the epicenter of teaching, learning, technology, and sustainability.

I think in order to have the business model conversation, you have to wear all those hats because whether you're in an RCM model, or a direct funding model, or an internal OPM, or some combination, you're going to have to figure out how to make it work for you to accomplish your mission, and I think, as Jocelyn found out, it's very context specific.

Kelvin: Mm-hmm. I think about two related, I don't know if these are, I would think of these as metaphors or examples, I'm not sure what they are, but two concretization that sit in my mind side by side to illustrate some of what you just said. One, in a professional development offering some years ago, I had Southern New Hampshire University's president Paul LeBlanc as a speaker and a contributor there. I think we've talked about these ideas before on this podcast, but he talked about, if you can pull it off, the wisdom of setting up a separate firewalled off innovation-oriented entity/enterprise to do innovative work. Don't try to, there's a wines and wineskins metaphor to be used in there somewhere, but if you can pull it off to go down the street, and rent some space, and do it all differently over there, do it. I don't know if it just isn't an option for many of us, or if we just don't think about it. That's one.

The other is, I think about some of the work that you've done there at UCF of working within existing structures, and I think about something's just simple, zoomed in, and concrete as fairly early in the adaptive learning work that you're doing there, to try to deal with variable time to completion of courses. There was this effort to try to work within existing exception structure, so that a student could finish early, and then maybe enroll in the next course in the sequence, or needed more time, and so stayed, and then late added, or what have you. I think about those two ideas. One is making things work in a different way creatively within the existing structure, and another is like, "Nope, we're going to do something from the ground up completely different." How do you approach this

kind of work? Is it a “your results may vary,” or how do you think about this in terms of structures?

Tom: Yeah, wow. You're singing my tune, Kelvin, because I think about this so much. I have a ton of respect for Paul LeBlanc, who just announced he's stepping down. I think you may have seen that. Yeah, had the chance to say hi to him once or twice, not that he'd remember me. [Chuckle] I've seen him speak many times and a big fan. What he did by creating this little skunkworks at SNHU to get the online operations started worked for that place, but I'm not sure setting up a completely separate unit... I mean, they had executive support to do that, but if you just tried to do it without the executive support, I think you could easily get marginalized, and not be able to kind of have the impact, or the resourcing that you needed to do what you were trying to accomplish.

I mean, I remember having a conversation with some of our budget folks and some leadership about trying to rethink some stuff for UCF Online, and made a suggestion that maybe we could kind of just carve it off like that in its own way, maybe as its own auxiliary, all the money flows in there, and then we buy the services or something, sort of like I said earlier, and there was some hesitation to that. Part of that is because we had just implemented an RCM budget model, and the very last thing they wanted to do was start carving out a bunch of exceptions to that, which I understand completely. They also said, "Well, we can accomplish the same thing. If you figured out what that amount would be, then perhaps we could just figure out a way that you get a direct appropriation through the budget process for that same amount, or something close to it, so that the end result could be the same."

Kelvin: Mm-hmm.

Tom: I think that maybe that's a way to square your circle of should it be inside, should it be outside? There might be different pathways to get you to the same result depending upon your unique circumstances. Not everybody's got a new RCM bottle that they're going to just not give you any exceptions, but you might still be able to get the resources you need to accomplish what you're being asked to accomplish through another mechanism.

Kelvin: No, that's helpful. I know our coffee's dwindling, and the attention span of our listeners is dwindling. What do you think, this is, again, a rather intricate and entangled complex web of concepts, and maybe not everybody lives here every day. What do you think are practical implications for our listeners, regardless of what they do every day?

Tom: Well, I think having an awareness of some of this stuff really makes you way more valuable, as opposed to somebody who just sort of complains like, "Well, why am I not getting the funding that I need to do the thing that I need to do?" Well, when you have, I think, a broader perspective of the wider picture, I think

you get a much better understanding of how the sausage is made, and have a much better opportunity to influence that. One thing that I always say to people is, "When you're asking for something, make a case. Explain to me how this benefits the university, the students, the division, whatever it is. Best of all is, how it's going to benefit the students?" Without that case, just asking for something, it's going to be really hard to say, "Well, I should give you these limited resources instead of this other thing that we're doing."

Kelvin: Mm-hmm.

Tom: So, understanding your role in it, and leading from where you are in that space, I think is something all of us can do.

Kelvin: Yeah, that's good. I think that's a helpful piece of advice for every season of the year, not just the new year. [Chuckle] But hey, as we're here in the new year, and everybody's filled with new aspirations, and new refreshed energy, maybe that's something to lean into, and take hold of. Shall I try to wrap this up before we get out of here?

Tom: Yeah, go ahead, Kelvin. Wrap it up!

Kelvin: I'll wrap it up. There's probably some ribbon leftover here somewhere from a discarded package. If we keep doing what we've been doing, we're going to keep getting what we've been getting. I say that regularly. Innovation often requires making structural changes if we're going to better serve a wider variety of potential learners. How's that?

Tom: Yeah, agreed. Agreed. Yeah. I mean, it's an interesting conversation to me anyway, and we'd love to hear feedback from all of you if you have dealt with this issue, wherever you are in the organization, on whether it's creative funding challenges, or organizational changes, reporting line changes, things like that. I'm fascinated by all of that. So, maybe before we bid adieu, I can just do a really quick plug here in the new year, ask our listeners, make a resolution to go out wherever you listen to TOPcast, and maybe share a link to your favorite online learning professional. Just pick an episode, one that maybe you like, or you think that they will resonate with, and just send them a link, and say why you think TOPcast would speak to them.

(Musical Outro)

Kelvin: What a great way to start the new year!

Tom: Right? I can think of no better way to start the new year. [Laughter] All right. Awesome. Well, Happy New Year, Kelvin.

Kelvin: Happy New Year, Dr. Cavanagh.

Tom: Until next time, for TOPcast, I'm Tom.

Kelvin: I'm Kelvin.

Tom: See ya.