
Developing a Global E-Learning Program: From Conceptualization to Implementation

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The global learning market is immense

According to institutional investment firm ThinkEquity, the global education market is worth \$2.3 trillion, with distance learning comprising the market's fastest growing sub-sector. Over the next 20 years the global market for online learning is estimated to exceed \$215 billion, with rapid growth expected from cross-border delivery of higher education (an institution in one country delivers courses to students in other countries). The Organization for Economic Cooperation and Development (OECD) reports the U.S. is the largest exporter of educational services among eleven countries surveyed for its 2004 report, *Trade in Educational Services*. In fact, the U.S. is currently educating one-third of all cross-border students in the world.

Several factors are driving domestic institutions' expansion into foreign markets. First, the U.S. population is growing comparatively slowly. The U.S. birthrate is low, and only immigration provides an increase in population. This has caused enrollments of traditional aged college students (aged 18-22) to be nearing a peak in many parts of the country. The U.S. Census and the U.S. Department of Education project that in 2008-2009 3.2



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million students will graduate from high school, an eight percent increase from today, but thereafter the number of high school graduates will decline. By 2017-2018, at least eight states will have witnessed the number of high school graduates decline between 10 and 35 percent. Colleges and universities in many states are already finding that they must recruit students from other states and other countries to increase—or just to maintain—their enrollment levels.

At a time when many institutions in the U.S. must explore new markets for enrollment growth, other countries face a shortage of higher education campuses and student seats. Tertiary enrollment in China, for example, doubled from a rate of six percent of the higher education age population in 1999 to 12 percent in 2002. Although the number of higher education institutions has also grown, capacity still falls short of demand. At the same time, students around the world continue to show a predilection toward an American

education, as evidenced by the roughly 570,000 foreign students attending U.S. colleges and universities in 2003-2004. In recent years, however, it has become increasingly difficult for foreign students to come to the United States to study. Concurrently the technological capacity in many foreign countries has increased markedly, and the number of internet users worldwide has skyrocketed. Those factors converge to enhance U.S. postsecondary institutions' opportunities for success delivering their courses and programs directly to students in the global e-learning market.

To be successful, institutions marketing courses and programs overseas will confront a myriad of issues. Where should the savvy higher education institution begin the process of exploring and selling into the market? This document provides guidance by sketching a planning process that is vital to the successful development of a global presence in the higher education market.

Market potential in countries

Where is the market? For any college or university considering the global higher education market, the first question to be resolved is: which countries should we enter? Hezel Associates' recently released report, *The Global E-learning Opportunity for U.S. Higher Education*, addresses the crucial first step of gaining a thorough understanding of potential markets. Every country in the world is a potential market, each with its own set of circumstances that shape the opportunity there. In our report, we examine the demographic, economic,

technological, and educational environment in 42 countries in three regions: Asia, Europe, and Latin America. Based on our extensive research of these factors and more in each of the countries, we provide an assessment of the potential opportunity that we perceive each country presents to U.S. institutions of higher education interested in the global market. Gaining a thorough understanding of the many factors that affect a country's potential opportunity is an essential first step in determining which markets to enter.

To begin, a broad analysis of many countries is necessary and appropriate, followed by an in-depth analysis. Identifying countries that provide the best match for your institution's capacity is a fitting start for the inquiry. Our report, *The Global E-learning Opportunity for U.S. Higher Education*, can guide your investigation. Regardless of whether you rely on our research and analysis or conduct the research internally, you should address the following key factors in each country:

1. *Demographics.* What is the current demographic situation and outlook for the future? These have implications for the current and future size of the market. In some countries birth rates are high and the number of college-aged students is growing, while in others the number of college-aged students is declining along with falling birth rates. Overall, you should seek countries where the population is increasing, either through birth rate or through immigration.

2. *Language.* What language(s) is spoken? What is the English-language speaking ability of the population? How prevalent is English in education? For U.S. colleges and universities that do not have the ability to offer their programs in multiple languages, the English speaking ability of student populations is crucial. While in some countries English is a mandatory foreign language in schools, it is optional and less widely learned in others. Delivering programs to India, for example, where English language is prevalent among college-bound learners, will be easier than to China, where English language skills are lower among the same population.

3. *Economics.* What is the state of the economy? What is the relative wealth of the people? What kind of trade relationship exists with the U.S.? Ability to pay for a U.S. education is essential in a potential market. U.S. college tuition is among the highest in the world. Will a reasonable segment of the population be able to afford your tuition, even if it is discounted? The general business climate should also be favorable to U.S. business interests. Some countries may have bilateral trade agreements or strong trade relationships with the U.S., which can provide anecdotal evidence of a favorable business climate.

4. *Technology.* What technological infrastructure is in place? How many people have access to the internet and to technology, in general? Technology is an essential component of e-learning

and distance education, and the extent to which various technologies, especially the internet, are available in a country impacts the proportion of the population that can be reached via e-learning. If your institution aims at upper income strata, you can be reasonably assured that the internet will be available for course delivery. To reach geographically and demographically dispersed target populations, however, the internet—or even electricity—might be in short supply.

5. *Basic education.* What is the structure of the basic education system? What changes are taking place? What percentage of the school-age population is in school? What percentage is finishing school, and with what qualifications? Improving basic education continues to be a priority for many countries around the world, and as more children pass through and complete basic education, the number of potential higher education students increases. Along with demographic numbers, analyzing data on basic education can shed light on the current and future size of the market. Countries with a demonstrated policy and committed funding to the expansion of education to all citizens offer better long-term targets for your programs, because the supply of secondary-educated students will be ample.

6. *Higher education.* What is the structure of the higher education system? To what extent is the supply of higher education meeting demand? What is the history of distance learning

development? What is the incidence of students studying outside of the country? In the United States? What laws/regulations are in place regarding foreign institutions operating in the country? Analyzing data on the number of higher education institutions and the number of students attending them should give you a sense of what kind of excess demand for higher education may exist. Understanding the higher education environment in a country will enable you to select countries most amenable to your programs.

7. *Other factors.* Are there any other issues that may affect the ability to deliver an e-learning program? Cultural and political issues that do not show up in any of the other analysis, for example, could be important. Perhaps there are cultural issues related to gender, or political strife that makes the future uncertain.

Institutional capacity

Can your institution deliver? As you conduct market research to narrow your list of potential markets for further exploration, you should also begin engaging the people at your institution—the departments, faculties, administrators and support staff—in brainstorming and information gathering to assess your capacity and strengths. You must ascertain what the abilities, capacities, and interests are of all the key stakeholders within your institution. This process can also uncover existing connections and relationships that individuals may have with counterparts overseas. Those relationships can make entry into a

particular country easier or more feasible. In fact, such relationships could be the starting point for your inquiry, allowing you initially to bypass stage one market research above, although you should return to the market research at some point. Some key issues to consider at this stage:

1. *Departments and faculty support.* What departments and faculties are most open and eager to be a part of the potential global program? Departmental and faculty buy-in are essential to developing a global distance learning program. A program could be in demand overseas, but if the program faculty lacks enthusiasm or is resistant, your success will be limited. Conversely, a department or faculty might champion the international delivery of the program, but the market might demonstrate little demand for it. Matching demand and faculty capacity is essential.

2. *Program offerings.* Which programs do the departments and faculties think are best suited to being offered to foreign students studying in their home countries? You must identify programs that could potentially be offered to students overseas. This information will be necessary for conducting a competitive analysis later in the exploratory process.

3. *Foreign contacts.* Do any individuals have any contacts or existing relationships with individuals in foreign countries, particularly in higher education institutions? Do you have a contingent of alumni in a particular

country? Perhaps you have partner or sister institutions already. Do you have a direct link to the minister of education or even the president of the country? These relationships can make it easier to enter the market in a particular country. Their language and culture skills, connections to partner higher education institutions, and even political ties could improve your chances for success.

4. *Administrator support.* What level of support, financial, human and other resources, are administrators at various levels willing to provide? Just as faculty buy-in is necessary, so too is administrator support and understanding of the importance of global expansion.

5. *Technological capacity.* Is the technology in place sufficient to support the potential global program? If not, what upgrades would be necessary? The technological capacity of your institution has implications for the size and scope of the global distance learning program that can be supported.

6. *Student support.* What are the capacities and/or deficiencies of the various support functions? Just as domestic students, both traditional and distance learners, need student services and support, foreign distance learning students also require support. These include registrar, advising, bursar services and financial aid, tutoring and academic help, and perhaps most important for an e-learning program, technical help. These students will also be located in time zones far away, meaning the hours in which they will

need assistance may not overlap with those of domestic students.

After completing the market research and internal assessment, you should narrow the list of countries to approximately five, a small enough number to be able to conduct more in-depth and market-specific research. The information gathered for each country should be measured against the institutional capacities identified in the internal assessment to determine which countries seem to provide the best fit for your institution.

Competitive analysis

After narrowing the list of potential target countries to offer courses and programs, you should conduct a competitive analysis using market specific research in each of the countries. Very focused and specific research is required, so you should limit your inquiry to about five programs to potentially deliver in five countries for this stage. You will be investigating the fit of specific programs from your institution to specific countries. Research for the competitive analysis should address the following issues and questions for each potential program that will be offered (although programs can be grouped if they are in the same general subject area) and should be answered for each country:

1. *Identify Current Providers.* Which other institutions, in the U.S. or in the target country, offer programs similar to yours? You should identify potentially competitive domestic providers, as well as institutions from other countries

providing similar programs. Depending on the mode of delivery you are thinking of employing and the size of the country, you may also want to map the geographic location of other providers to see if there are pockets of potential students who are not being served.

2. *Competitive surveillance.* What is your competitive edge, compared to your competitors, in the country? What are their enrollments and at what tuition prices? What mode of delivery are they employing? You should gain information about perceived quality of those programs, including strengths and shortcomings.

3. *Market Demand.* What is the demand for your program(s) in the labor market? Probably the best way to find this out is to talk directly to major employers in the country. You should also look at news publications, particularly those related to business, as you may find timely information there related to the needs of the labor market.

Compiling the data, making decisions.

After completing the three levels of analysis, you should have a clear perspective on which countries provide the best opportunities for each of your programs. Knowing the programs you can most readily and competitively deliver to the most favorable countries, you can confidently develop an implementation plan that places your institution's programmatic and organizational strengths in reach of the richest opportunities. This plan will recognize institutional weaknesses and

map the road toward success, avoiding the environmental threats and pitfalls yet to be confronted in your international strategy.

Two important decisions to be made as you plan for implementation are:

1. *Mode of delivery.* Which delivery mode (online, classroom, hybrid) is appropriate, justified, and feasible? Delivering instruction entirely online presents a simple solution: Your institution provides the course online for any learners anywhere in the world. The student pays tuition by credit card or other method. In most countries, the institution needs no authorization from political or educational authorities for such delivery where no physical point of presence is required. That delivery method, however, lacks the personalized student services that can be a hallmark differentiating institutions from purely online colleges. Ordinarily, establishing a center, whether for student services or for classroom instruction, requires country authorization. Building a presence for face-to-face classroom teaching almost universally requires authorization. Generally, the more physical presence, the more costly the endeavor, but you should do a feasibility study with a pro forma to test the various models.

2. *Partnering.* Should you partner with institutions based in the target country? With the exception of major U.S. institutions, students overseas are unlikely to recognize your institution by name, regardless of its national or regional branding in the United States.

Therefore, partnering with a local institution that does have in-country name recognition can be invaluable. Partners who have expertise in the country can be critical for the performance of multiple functions. Existing educational institutions can assist in gaining authorization for your institution—or better, you could deliver courses through the local institution. Those organizations can also provide physical centers through which to provide student services, tutoring, or classes. Sensitive to cultural norms, local organizations can help market the programs in the target language, however, it is important to ensure that the local partner has the aggressive marketing prowess needed to drive the financial goals of an e-learning program. Consider also that developing a successful partnership can take a great deal of time, particularly to cultivate the mutual trust that is necessary to be successful.

Conclusion

Many factors point the way to success in global e-learning delivery. Learning those factors—both external market and internal capacity—and how the factors work in different countries will be essential to a sound strategy for international growth of your programs. Making clear decisions will follow more naturally because they will be based on the research and your understanding of your institution.

Strategic expertise and research intelligence are critical ingredients of a successful e-learning program, and they are the cornerstone of Hezel Associates' business. Seasoned with perspective shaped by over 30 years of research, our company has, in turn, shaped the industry and practice of e-learning. Clients benefit from our experience as one of the long-standing, independent consulting firms in the field of e-learning. Hezel Associates has helped its clients succeed by providing critical intelligence for sound, cost-effective decision making.

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To find out more about our report—Global E-learning Opportunity for U.S. Higher Education—please visit us on the web at: www.hezel.com/globalreport



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