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Front Lines

Online education as an export industry

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Front Lines is a guest viewpoint section offering perspectives on current issues and events from people working on the front lines of Canada's technology industry. Ian Gordon is a strategy management consultant and author of three books, including Relationship Marketing (E-mail: igordon@converge.ca).

Before the era of the Internet and computer, most education and training was produced and consumed locally. For revenue to be derived from international customers, foreign students would attend local institutions or trainers would visit out-of-country markets. With the arrival of the Internet, organizations now provide on-line education and training sessions, courses and programs to customers far afield, but opportunities remain to employ the Internet more extensively and profitably to deliver on-line education and training internationally.

The Ontario government may have an opportunity to create need-satisfying services or solutions that can benefit global customers, while creating economic returns for citizens in this Province. In this Province, the education and training focus is on skills development but international students often want the formal accreditation that Ontario institutions can and do provide. However, existing on-line initiatives are fragmented. Opportunities remain to develop a comprehensive online offering and market this internationally.

The Online Education and Training Industry

The on-line education and training industry — where the Internet is used to deliver education and training to a student's computer — comprises hundreds of companies in a large marketplace. The U.S. market for on-line training technology alone is valued at about $380-million (U.S.), and the market for the various services, hardware and on-line training content suggests that this industry could be several times larger.

Educational institutions in Ontario and elsewhere have invested in the technology infrastructure for enabling students to access on-line content and in creating content for delivery via this infrastructure. Students can study exclusively on-line or combine online education with in-classroom instruction to receive theory and practical instruction. Online content is typically developed by subject matter experts, such as university professors, who work within specific institutions. It is uncommon for this content to be shared between institutions to broaden the online course catalogue any one institution can economically deliver. Educational institutions have widely varying perspectives, strategies and target audiences for online education. Best practices in online training are not common knowledge.

Online Education Not Yet Fully Evolved

Students in Canada and abroad who want an online education have several alternatives when selecting an online educational institution, but the degree and course options are generally not as extensive as traditional in-classroom instruction. As a result, students must still be trained within physical universities to receive all the education they need.

Athabasca University recognized the potential of distance education and international students some years ago and was an early entrant in providing this service. Athabasca University is supported by the Alberta Government and is a full university, although it is not fully virtual — instructors locate in Athabasca, and external subject matter experts or content originating from other than the university are not featured or apparently encouraged. Perhaps partly as a result, the online offerings from Athabasca and other Canadian online universities that also develop their own online content are more limited than they would be if content were shared among institutions.

Online universities also generally lack the brand equity, such as cachet and trust, that is associated with many of the well-known traditional universities.

In short, there appear to be opportunities for educational institutions in Ontario to share more online content developed for students in a given educational institution for delivery online by another institution.

There may also be an opportunity for a fully virtual online educational institution in Ontario to re-use and re-purpose existing content from educational institutions in this Province to serve international students and to do so without making major fixed investments in land, buildings or people. Additional use can be made of existing online learning materials and the enormous pool of technical and multilingual talent already in this Province's educational institutions to serve international students. This would create or expand the export of Ontario-based education.

Re-Using and Re-Purposing Content — A New Paradigm

International students abroad represent an important market opportunity for the public sector in Ontario. In addition to sharing online content among Ontario's educational institutions to the benefit of local students, a vast amount of knowledge capital is available to be re-used and re-purposed for online sale to students internationally. Subject matter expertise is available from existing educational institutions to support a truly virtual university catering to international students who want more than present institutions can provide in areas such as the online learning experience, well known instructors, student support, course catalogue, new subject matter, and degree and diploma options. A similar online opportunity may exist to help international students achieve or complete secondary school education, although the focus of this discussion is post-secondary.

Virtual environments, like physical ones, obviously incur costs and investments would need to be made in a number of areas such as:

- Technology, such as learning management systems and learning content management systems, and a number of additional hardware and software components;

- Processes for design, development and delivery on online education and training;

- Sales and marketing outreach initiatives to potential students globally.

Costs such as land, building and people could be kept down in a virtual university model. Whether or not a business case can be made for such an initiative remains to be studied but the economics appear to be becoming more favourable as technology prices decline and because a model that makes use of existing educational resources in a virtual environment keeps fixed and one-time costs down.

An online education and training organization applies a different paradigm for content development, delivery, testing, ownership and much else. By exporting education, a virtual university can achieve even more than creating new economic value

for local citizens, although this it can do. Knowledge has a democratising effect on societies and economies. By providing online training internationally, new human resource competencies and skills can develop in countries thus far left behind in the new economy.

Participation by the Ontario Government in Internet-Enabled Education Internet-enabled education could benefit most from public sector support when this would result in financial benefits to citizens that would not be achieved using existing delivery models. Other than a profitable business case and a mandate of not competing with the private sector, the main online education could be considered for possible public sector participation if it were agreed that conditions such as the following apply:

1. By massing or focusing financial capital and ensuring objective deployment of this capital, the Ontario government could develop revenues from international customers to create financial benefit for its citizens.

2. Similarly, by massing, focusing and/or re-purposing knowledge capital to provide different content, services or benefits to international customers, the Ontario government addresses unmet or partially met education needs. Examples here include the sharing of online training content among universities, with some investment possibly still required in areas such as learning objects and learning content management systems.

3. By engendering consumer trust, a (virtual) university in Ontario could be a preferred Internet destination for international customers.

The eighteenth century English philosopher, Thomas Paine, said that the business of government is about enhancing the public good. In the era of the Internet, there are potentially new applications to enhance the public good and expanded roles for government to play where private sector firms are not well placed to achieve equivalent ends. Online education would appear to be one such opportunity awaiting additional consideration in Ontario.