

OUTSOURCING ONLINE PROGRAMS

**Exploring the Organizational Impact &
Planning for the Future in OPM
Partnerships at a Private University**

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About the Author

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Acknowledgments

This work is dedicated to my mother who lost a battle with breast cancer in 1992. I remember the year when I recognized that I had lived more of my life without her than with, and yet there isn't a day that passes that I don't miss her presence in my life. Growing up she always encouraged my inquisitiveness and I hope she is looking down with pride as I accomplish something that started with a curiosity. I wish she could have been here to cheer me on.

To my family and friends who have offered support, encouragement and often much needed laughter over the past three years. I am often in awe and a sense of immense gratitude for the connections I have accumulated over the course of my life.

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Executive Summary

The field of higher education is changing rapidly and one of the catalysts, and perhaps consequences, of those changes has been in online education.

With increased competition for students, pressure to innovate in order to differentiate and compete, and increased costs, many traditional institutions looked to the online degree market as a viable and attractive strategy to increase revenue. Often lacking the capabilities and resources to develop online programs, institutions sought to partner with Online Program Management (OPM) companies to manage aspects of online program development and delivery (Zipper, 2016; Mattes, 2017). Through this outsourcing relationship, things like marketing, student recruitment, student support, online course development, faculty support and learning management systems (LMS), became available to institutions through a third-party contract.

The OPM industry has grown rapidly in the past two decades, but little research has been conducted into how these relationships operate and have impacted higher education beyond enrollment growth (Hill, 2018; Straumsheim, 2015). Looking to a

wealth of research in outsourcing relationships, what is evident is that these partnerships can be complicated (Allen, Kern, & Mattison, 2002; Bartem & Manning, 2001; Gottfredson, Puryear, & Phillips, 2005; Gupta, Herath, & Mikouiza, 2005; Hansen & Rasmussen, 2013; Kaipia & Turkulainen, 2016; Lee & Kim, 2005; Schoenherr, Narayanan, & Narasimhan, 2015; Zineldin & Bredenlow, 2003). While the benefits of outsourcing can make a partnership very attractive, things like miscommunication, poor implication, mismanagement and misalignment in goals and values can lead to failure (Allen, Kern, & Mattison, 2002; Lok & Baldry, 2015; Wekullo, 2017; Zineldin & Bredenlow, 2003). Outsourcing is often driven by a desire to reduce costs and increase efficiencies, but a failed relationship can be costly and lead to complications, increased costs and inefficiencies (Wekullo, 2017; Zineldin & Bredenlow, 2003).

By partnering with a private university, using the pseudonym American Private University (APU), who first partnered with an OPM in 2014, this research used a qualitative approach to examine the nature and quality of the relationship this particular higher education

institution has with the OPM companies with which they partner. In addition, APU seeks to expand their online degree offerings in the future and the current state of partnerships was assessed along with plans for the future to help identify strategies as they move forward.

To frame this research, I looked to Lee & Kim's (2005) study testing three models to better explain outsourcing success in information systems. The constructs used across models were rooted in research on behaviors and beliefs that lead to successful partnerships and became the core around which interviews and analysis in this research were structured. This helped isolate known behaviors that lead to successful outsourcing and a framework with which to interpret data collected through qualitative interviews (Lee & Kim, 2005).

APU articulated a relationship with their first OPM company that in many ways illustrated Lee & Kim's behavioral attitudinal model and by all measure seems to be effective and functioning in a positive manner. Yet, due to a few areas of dissatisfaction, APU is currently planning to exit this relationship when it is up for renewal. They have a well-developed and informed plan to

continue to build their own capabilities and serve as an internal OPM to the university. After evaluating the interview findings, organizational chart reflecting future plans and literature, I provided general guidelines on how to develop a disengagement strategy and recommend that APU considers an internal PR campaign within the larger university, along with staff training on professional presentation, to increase visibility into their work as they become the internal provider for online programs.

In addition, comparing literature on best practices in outsourcing decision-making and implementation, using the story APU conveyed to illustrate challenges in OPM relationships, a decision-making model for higher education institutions to reference as they evaluate whether or not to use an OPM and how to foster an effective relationship is proposed. Suggestions on how to approach OPM partnership implementation are also included.

Introduction

The term "outsourcing" is widely used to describe situations where an organization partners with a third-party to fulfill services that are lacking or augment existing processes. This is

done for a variety of reasons including to save money, create efficiencies and access capabilities that would be challenging to develop. While there is a robust set of literature exploring the aspects and impacts of outsourcing in certain industries, information systems and information technology for example, there are other areas like higher education where exploration is spotty. Outsourcing practices in online programs is one such area of a growing number of functions that higher education institutions are opting to outsource. There are many benefits to this practice and also significant challenges. Outsourcing is a way in which much can be accomplished beyond the capabilities of an individual entity.

The past few decades have represented an era of vast change in the higher education industry. With the introduction of new technology, many institutions have sought to expand their reach through online programs, resulting in a steep learning curve and the introduction of new models in how institutions market, manage and administer these programs (Howell, Williams, & Lindsay, 2003; Allen & Seaman, 2007). As institutions sought ways in which to address knowledge gaps in online learning and accelerate

program launches, a new option emerged to outsource elements of the process through partnerships with for-profit entities that are now commonly referred to as Online Program Management (OPM) companies. Through these partnerships, institutions develop a contract with an OPM outlining which elements each party is responsible for in the delivery of an online program, ideally leveraging expertise at each organization, and the monetary compensation for the OPM. For example, functions like marketing, admission, course design and student support in an online program are outsourced to the OPM and the institution develops curriculum and provides faculty. While these relationships have been integral to the expansion of online programs, little research has been conducted into how these relationships function, the overall cost and effectiveness of OPM partnerships and the impact on higher education institutions. Understanding more about the impact can help higher education institutions make informed decisions and prepare for inevitable complexities.

The goal of this research is to explore the nature of these partnerships at a private university and assess how the institution has adapted over time. Data

collected through interviews with key stakeholders and documents provided by the institution will be evaluated using a conceptual framework that explores theoretical research on outsourcing relationships in both higher education and industry and outlines the history and structure of OPM companies. With this information I hope to gain deeper insight into how one institution has evolved as a result of their OPM partnerships and offer a set of recommendations intended to address any existing challenges and a plan to evaluate outsourcing relationships going forward.

Project Context

The Impact of Outsourcing

Outsourcing is a relatively new term originally used to describe contracts between organizations to create efficiencies. (Palm, 2001; Outsourcing Institute, 2000; Phipps & Merisotis, 2005). The practice of outsourcing within corporations and even in higher education has grown rapidly due to the many benefits it can offer. The ability to access capabilities that have been robustly developed at another organization through partnerships can help organizations reduce costs, innovate and be more competitive in the marketplace. Yet, introducing a

third-party to an already complex organization can get very complicated. In higher education, outsourcing has become prevalent, not only in online programs, but in many other areas like information technology, bookstore, student ID's, budgeting, housing and food service (Armstrong, 2007). Some speculate that outsourcing may be a way to reduce costs and curb rising tuition. Yet to date there has been little research into the real impact on costs, much less the culture and organizational structure within institutions. A 2002 UNICCO survey found that 65% of responding colleges and universities outsourced 2-5 services and another 13% were outsourcing more than 5 services (UNICCO Service Company, 2002). Only 9% of responding institutions indicated that they were not outsourcing anything (UNICCO Service Company, 2002). Interest in outsourcing has only grown in higher education over the past two decades. A more recent survey asked leadership at colleges and universities about their intentions to outsource in the near future. Most indicated plans to outsource in some area and the second most common response,

accounting for 42%, cited plans to outsource in order to expand online programs (Blumenstyk, 2019).

Why Outsource?

There are many reasons cited in literature to outsource, including controlling costs, accessing capabilities or resources not available within an organization, share in risk, manage a difficult process, and access capital funds (Palm, 2001; Outsourcing Institute, 2000; Merisotis, 2005). Higher education institutions, largely non-profit, can be constrained when it comes to accessing the immediate capital needed to start new ventures. In online program development, the cost of technology and marketing can be quite high, for example, and outsourcing with an organization who will absorb those upfront costs as a part of a contract can allow institutions to move more quickly on new initiatives. Just as Susan faced with the options available to complete her kitchen remodel, there are always trade-offs.

Challenges in Outsourcing

Though outsourcing can be an effective option, it does come with challenges. Dissatisfaction with the relationship, failure to live up to expectations and loss of revenue are all reasons in which

THE FUTURE: WHERE P3S ARE HEADED

Where is your institution most interested in partnering?

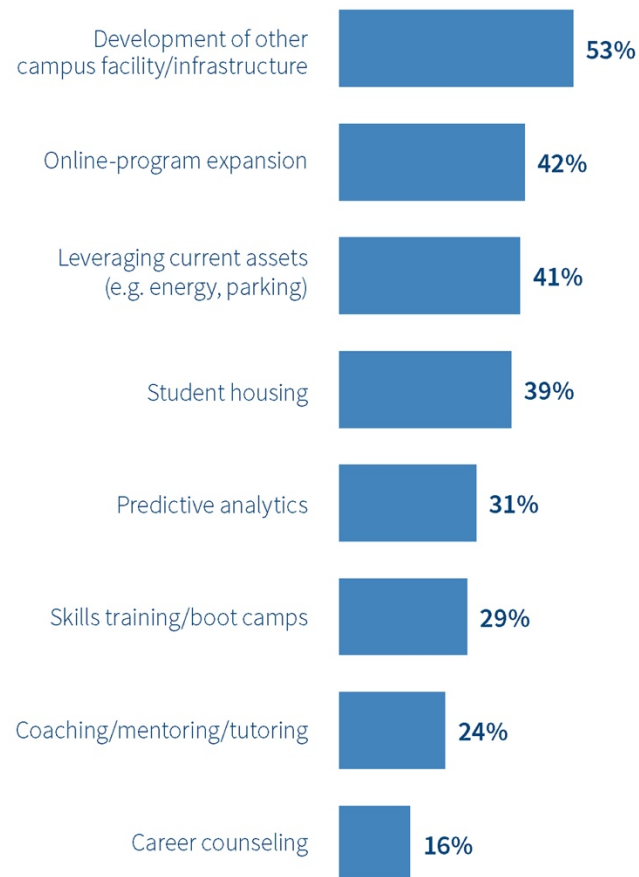


Figure 1: 2019 Survey of Planned Areas of Outsourcing at Higher Education Institutions (Blumenstyk, 2019)

outsourcing relationships can fail (Zineldin & Bredenlow, 2003). Zineldin & Bredenlow (2003) suggest that as many as 70% of these relationships fail and point to quickly signed contracts, mismanagement of the relationship, and implementation issues as reasons for failure. Others point to inadequate communication throughout the partnership as the key issue in failed

partnerships (Schoenherr, Narayanan, & Narasimhan, 2015). Regardless of how failure is explained, what is clear is that outsourcing relationships are complex and require ongoing attention beyond the initial signing of the contract.

In higher education, the challenges can be more pronounced due to the academic structure and core values on which institutions operate that go well beyond making a profit. While financial health is important, factors like quality education take precedent. Phipps & Merisotis (2005) explored the extent to which outsourcing may be a solution to rising costs in higher education and painted a complex picture. Some of the challenges identified in deciding to outsource include (Phipps & Merisotis, 2005):

- Decentralization of campus environments
- Bureaucracy, including faculty governance
- Risk of unkept promises
- Time constraints in the academic year
- Amount of buy-in needed
- Complexity of the process
- Closeness of the service to the core mission
- Competing priorities

Beyond the complexity in navigating the decision-making process, there can be significant challenges in implementation and the maintenance of a partnership. Lack of expertise in partnership management and general lack of staff with capacity to take on new responsibilities can be issues. In addition, inadequate contract negotiation with no clear “out” if the relationship falters, miscommunication or lack thereof about the terms and expectations of a contract, misalignment in values and lack of understanding the culture and mission between parties can also be issues (Phipps & Merisotis, 2005).

Wekullo (2017) also sought to address the lack of research into the impact of outsourcing in higher education and explore the extent to which it is effective. She found very mixed results, varying by campus and service, ranging from positive to negative and at times no real impact. Where the intent was often to reduce costs, the practice over time may actually be a very expensive choice not only for institutions, but also students (Wekullo, 2017).

Successful Outsourcing

Looking at the challenges in and failure rate of these partnerships can leave one to ask, is outsourcing a recipe for disaster? Research across several industries into successful outsourcing suggests that it takes planning and work to make these partnerships effective. Actions that seem to offset and minimize the many challenges include asking the right questions at the outset, building a strong relationship with the partner organization and ensuring that goals are aligned (Bartem & Manning, 2001). In fact, rather than thinking about these partnerships as simple contractual relationships, they seem to operate best when they are thought of as true relationships with work and commitment from both parties.

Evolution of Online Education

Although the concept of distance education has been around for quite some time, online delivery is a relatively new and fast-growing trend in higher education (Ferrer, 2019). The first degrees offered using internet technology began in the mid-90's (Ferrer, 2019). They gained popularity with for profit institutions and saw significant enrollment growth in the late '90s early 2000's. As of 2016, enrollment in distance education had

grown to over six million students (Seaman, Allen, & Seaman, 2018).

At the same time, higher education as an industry saw a vast array of challenges. Institutions faced enrollment decreases at the undergraduate level, though graduate enrollment had increased (Bauman & Cranney, 2020). One reason for the decrease in undergraduate enrollment, has been a decrease in college graduates (Wiley Education Services, 2020). A 2017 report that surveyed 400 chief business officials indicated that 71% of institutions were facing financial difficulty (Wiley Education Services, 2020). To address these challenges many institutions to are considering and expediting plans to embark in online education as a way to generate revenue. This opened the door for those with expertise in technology, course development using learning management systems (LMS), aggressive marketing and recruitment, and other areas that institutions lacked in order to transition and compete in online programs, to offer their expertise through a partnership. A new model emerged in which institutions could deliver online programs by outsourcing elements through a partnership with an Online Program Management (OPM) company.

The first OPM companies started to emerge in the early to mid 1990's and included Keypath Education and Pearson Online Services (a subsidiary of Pearson). Today there are over 30 companies that partner with higher education institutions to help launch and manage their online programs (Hill, 2018). In 2016 this was estimated to be a 1.1 billion-dollar industry and is expected to continue to grow (Straumsheim, 2015; Zipper, 2016). The early partnership model typically involved a set of bundled services with a long-term contract in which the OPM received 30-60% of the tuition revenue from every student enrolled and at times could be as high as 80%. The current trend is a move towards more

flexible contracts in which institutions pay a fee for service and have more negotiating power over the types of services to be included and the duration of the contract (Hill, 2018).

In 2019 an estimated 525 non-profit colleges and universities partnered with an OPM to deliver their online programs. One of the key drivers for institutions to partner with OPM's was growth and initially, enrollment growth in OPM managed programs was significantly higher than those managed internally by the institution – 20.5% vs. 3.7% in 2013 (Busta, 2019). As more institutions have developed online programs – both with OPM assistance and without – that disparity decreased



in 2016 to 10.2% growth in OPM managed programs vs 6.1% growth in online programs managed internally by the institution (Busta, 2019).

The OPM Industry

Of the 30 plus OPM companies currently in operation only 3 are publicly held, meaning available information about financial results, investments, size, leadership, contract terms, partnerships, etc. is only as transparent as the company chooses to be. Size of the company also varies, with some OPM's partnering with 30 or more institutions and others only a handful. Another trend that has emerged is the number of schools partnering differently to offer Massive Open Online Course (MOOC) which are free to the public and short-course programs at a lower cost.

OPM Services

Just as quickly as the industry grew, the OPM market is changing, but there appear to be services that are universally offered. Most OPM companies have websites that cite values and mission statements that set them apart from other companies, but

the types of services offered usually include the following:

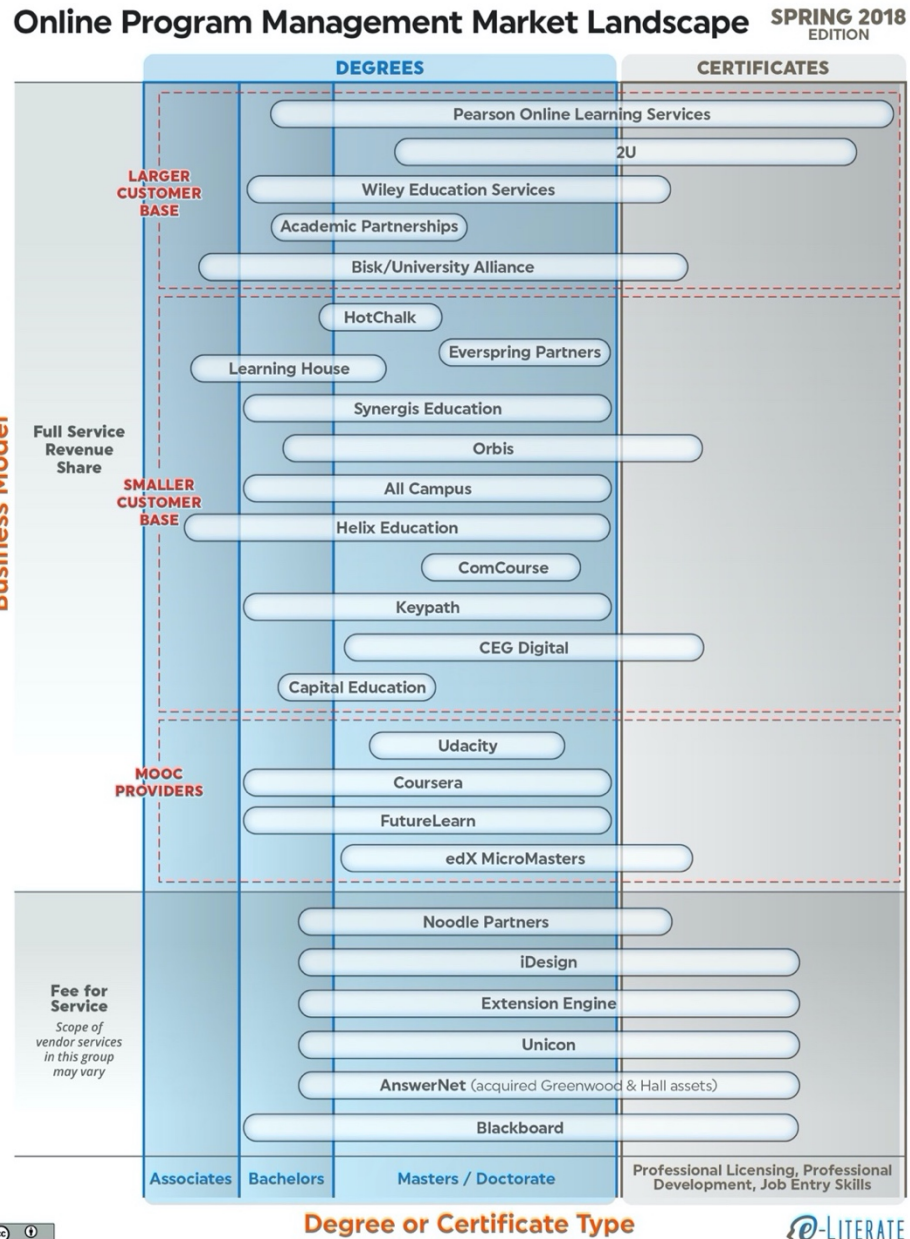


Figure 2: Overview of the OPM Industry (Hill, 2018)

Consulting & strategic planning: Often a relationship with an OPM starts with consulting as a way to determine the viability of the online program the

institution is proposing and develop a plan to transition online.

Technology: Several OPM companies offer a proprietary learning management system (LMS) and offer access to other technologies that support online delivery.

Marketing: This can include market research to determine the competitive landscape for the online degree proposed as well as digital marketing strategies to promote the degree and generate prospective student leads.

Student recruitment and admission: This usually involves an aggressive sales strategy to follow up with prospective leads, a consultative approach to discuss programs and advising through the application process.

Online course development & faculty support: This includes assistance in the design of the course in the learning management system (LMS). This may be technology that the OPM has developed themselves or some allow the institution to utilize an LMS the institution already uses to supplement their on-ground programs. In addition, the OPM may have a studio to film faculty for the courses and also provide training on how to manage the course in the LMS.

Student Support: Many OPM companies refer to this as a “white-glove” approach to student persistence

which usually involves a group of student support advisors who regularly call and communicate with students once enrolled. They develop relationships with the students and counsel them on next steps in the program. These conversations are often ways in which issues or challenges are discovered that are then referred to the institution for resolution.

Data analytics: OPM companies promote data-driven decisions and gather a wealth of data that is routinely shared with their partner institutions as a way to evaluate success and identify opportunity. This includes data from the LMS, market data and survey tools developed by the OPM.

In addition, some OPM companies have specific expertise in managing programs that require clinical experience or internships, which has allowed them to develop a network of potential sites for students across programs. This allows them to offer career services to students as a part of their student support. Some also promote corporate partnership development as a form of marketing and one, Extension Engine, even offers consulting for institutions wishing to build and manage their online programs internally.

OPM Partnership Benefits

There are many reasons that it may be beneficial for colleges or universities to partner with an OPM in online program delivery. Companies that offer longer term contracts with a full suite of services also put forth a large amount of initial capital in order to develop, launch and market the program (Wiley Education Services, 2019). It can take several years for any online program to break even, so the long-term contract allows the OPM to recoup initial costs and ultimately make a profit (Zipper, 2016). While the schools in this model receive a smaller share of revenue, they do receive revenue right away. Schools that manage online programs internally absorb these upfront costs and may not reach a break-even point from their online program for several years.

Another benefit is the access to expertise that may be lacking at institutions. Companies that have multiple partnerships have already been through the process to develop online programs several times and understand what needs to be accomplished. Multiple partnerships also give the OPM scale and share resources across relationships. While it still may cost a lot to develop and film courses, for example, they already have staff and technology to do so. An institution

would have to not only pay for development but also the technology, which can be costly. The expertise and scale that OPMs offer is especially beneficial to institutions who have never developed a fully online program. Scale can also be enormously beneficial to schools launching online degrees that have a clinical or internship requirement. OPMs have the benefit of working with multiple institutions which can give them a national presence that would be challenging for a single institution to develop.

If growth in enrollment is a primary goal of an institution's online strategy, then partnering with an OPM can help achieve that more quickly. Some schools may also see the reputation of an OPM's other partnerships as a benefit. Being positioned alongside a top ranked institution may be very attractive and something that an OPM partnership might offer.

OPM Partnership Challenges

While there hasn't been much empirical research into OPM partnerships at higher education institutions, there are industry publications, articles and blogs that have shed light into some of the challenges. There is growing criticism of the OPM industry from many who

question whether these arrangements compromise public education (Lederman, 2017; McKenzie, 2017). Other reports indicate that institutions are increasingly dissatisfied with being tied to long term contracts and receiving only a small share of revenue. This has opened the door for companies like Noodle Partners who actively promote shorter term contracts and flexible services for a fee instead of the traditional revenue share model. A recent report by The Century Foundation examined the OPM contracts of 41 public institutions and equate some of the risks to for-profit colleges, referring to services like admission as “predatory” (Hall & Dudley, 2019). The authors raised concerns about the level of control for-profit OPM companies have over online programs and had specific concerns about the tuition-share model (Hall & Dudley, 2019). After review of the contracts they were able to obtain, the recommendation was that institutions opt for shorter, fee-for-service contracts though it was admitted that there was little data on the full financial implications of this approach (Hall & Dudley, 2019).

Online technology has often been thought of as a way increase access to education, yet as concerns grow over

the cost of education as a whole, thereby making education out of reach for some, reports indicate that some institutions may be charging more for their online offerings than their on-campus counterparts. This may be a way for them to offset the loss in revenue due to an OPM partnership. In addition to the organizational challenges and concerns about the nature of OPM contracts, this also raises questions about the financial impact on students (Arroyo, 2014). This is something that may shift over time as more public institutions enter the online market with lower cost options and OPM’s become more flexible with contracts (Busta, 2019).

With high-profile institutions like Harvard partnering with 2U, others advocate for the value these arrangements offer (Lieberman, 2017). The demand seems to indicate that OPM partnerships are an effective, and maybe even necessary option, but there is little research to support or negate that idea. As we seek to better understand the dynamic of using a third-party to provide services, one can look to a wealth of research into the impact of outsourcing in the corporate and non-profit sectors.

Because the OPM model enabled colleges and universities to transition online quickly, it became a popular option. Yet with how quickly schools engaged in partnerships, there has been little investigation into the impact this model has had and continues to have on the higher education industry. This research seeks to better understand the dynamic between OPM companies and the institutions with which they partner and explore the potential impact at higher education institutions. In this quest for understanding, I have partnered with a university, who will be referred to in this research using the pseudonym “American Private University”, or APU. As a way to enter the online market, they first entered into a bundled service tuition-share partnership with an OPM in 2014 on a ten-year contract. They have since developed a few additional outsourcing relationships that offer different services and contract terms and have invested in considerable time evaluating internal needs and developing infrastructure to manage the relationships. Currently they are planning to expand online programs and are strategizing how best to move forward.

“American Private University”

APU is a nationally ranked private university in the United States entering its second century of operation, with nearly 12,000 students across all programs. Enrollment is diverse with students originating from all 50 states and 90 countries. They offer undergraduate, graduate and non-degree courses both on campus and online.

With the exception of a program on campus that historically offered learning through correspondence in addition to their campus-based courses, the university had not offered online degrees until 2014. At the time, leadership felt strongly that online programs should be a strategic focus and worked with key faculty in several departments to develop an interdisciplinary master’s degree to be offered as their first online program. In order to expedite the program launch, the then provost signed a contract with a company that will be referred to in this research as OPM 1.

Currently, the initial online program as well as the relationship with OPM 1 are managed through a division with administrative oversight over online and professional non-degree programs. Professional programs and boot camps

are managed in partner with a company that will be referred to as OPM 2 as well as several ad hoc relationships that have been developed and APU has recently engaged in a partnership with a company on a fee-for-service contract that will be referred to as OPM 3 to manage a new online program. OPM 3 has also partnered with another school within the university to facilitate the development of an online option for their previously campus-based program.

Working with APU on this research offers the opportunity to learn more about how institutions embark on and manage relationships with OPM companies, including the benefits and challenges outsourcing can offer. Since APU first partnered with an OPM, they have built an internal structure to manage the relationships. As they look to the future, the questions they face include whether or not to renew partnerships, engage in new partnerships or manage all aspects of online program delivery at the university.

The Problem

To put it simply, outsourcing relationships can be complicated and are often not successful. Zineldin & Bredenlow (2003) estimate that as many as 70% of outsourcing

relationships fail and while organizations focus heavily on the benefits at the beginning of a partnership, they underestimate the extent to which the relationship needs to be managed. This can leave many to feel as if the partnership is a burden. At a time when higher education is facing real questions of financial survival, does outsourcing pose a financial risk? Or, is it necessary for survival? Higher education institutions are traditionally slow to change and it may be that outsourcing has been essential to growth and innovation, especially when it comes to online degree programs. At this point, there has been little exploration into the impact that OPM partnerships have had on higher education institutions. With a wealth of research reflecting the challenges involved in outsourcing as well as best practices in the corporate sector, can the lessons be universally applied to OPM partnerships or are there unique considerations? Are higher education institutions effectively managing the relationships with their partners? This research will explore many of these questions using APU as a case study and will examine how they have managed outsourcing relationships and are positioned for online program expansion in the future.

Study Questions

With the complexity involved with outsourcing and the rapid growth of the OPM industry in mind, this research will be guided by the following questions:

- *What is the nature and quality of relationships between higher education institutions and the OPM companies with which they partner?*
- *APU has a long-term strategy to grow online programs. Should OPM partnerships be maintained in the delivery of online programs and if so, what strategies will lead to the effective development and maintenance of outsourcing relationships with OPM companies? If they should not be maintained, how can APU disengage from the relationship(s) in a way that causes minimal disruption and leads to continued success?*

In addition to making recommendations to APU on how they might move forward with their OPM relationships and online initiatives, these questions can guide more broad recommendations on how higher education institutions might determine

whether or not an OPM partnership is the right fit and if so, how they might seek to interpret and manage that relationship as an organization. While APU represents just one story of how these partnerships evolve, comparing their experience to literature may lead to the identification and potential resolution to challenges that many institutions face.

Effective Outsourcing Framework

Lee & Kim (2005) tested three different models that might better understand and explain successful outsourcing in the information systems industry. They first identified a set of variables that signify a successful partnership from existing literature on partnerships across industries. A 1990 study by Henderson helped define these variables to be used in the proposed models. A second study by Lee & Kim focused more on how these variables guided process.

The two studies shaped the framework for the tested models and variables were organized as follows (Henderson, 1990; Lee & Kim, 2005):

Psychological Variables: *Perception of Mutual Benefits, Perception of*

Commitment, Perception of Predisposition

Behavioral Variables: *Shared Knowledge, Mutual Dependency, Organizational Linkage*

Outsourcing Success: *Business Satisfaction, User Satisfaction*

They then proposed and tested three models exploring how these variables interact to explain outsourcing success. The first was based on behavioral-attitudinal theory and saw the psychological variables as intervening behavior and outsourcing success. The second was a Direct Path model that viewed each of the variables as independently impacting success. The third was based on a Theory of Reasoned Action which assumed that partners acted rationally and the psychological variables determined behaviors, which then led to success. They found that the model based on behavioral-attitudinal theory was very useful in understanding productive outsourcing relationships. Based on their findings, they recommend that these relationships be viewed as dynamic, not static, and that attention to the psychological variables can lead to more successful relationships and using the

behaviors to guide process might be helpful in developing more productive partnerships (Lee & Kim, 2005).

Although Lee & Kim's (2005) research focuses on the information systems industry, the variables identified as well as their findings in explaining outsourcing success can be a helpful guide in understanding the partnership dynamic at APU. This model serves as a

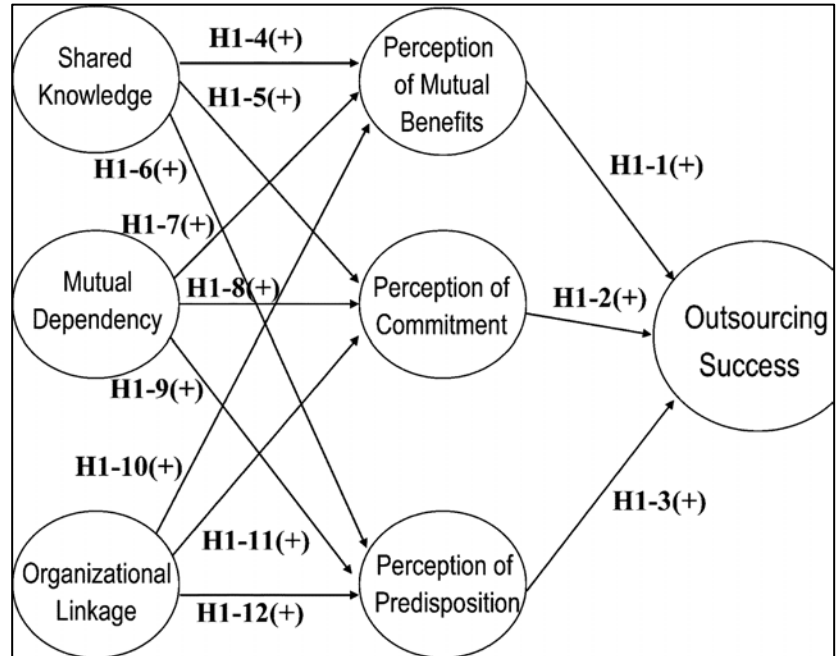


Figure 3: Lee & Kim's Behavior-Attitudinal Model of Outsourcing Success (Lee & Kim, 2005)

framework in structuring the qualitative interviews with participants as well as interpreting the data.

Methods

Qualitative inquiry is a way to develop a deeper understanding of the world

(Patton, 2002). Given that the primary purpose of research question 1 is to explore the history, trajectory and quality of OPM partnerships at APU and then also identify a path for the future through research question 2, using qualitative interviews was determined to be the best method to collect data. Through structured interviews with individuals who engage with the OPM partnerships as a part of their role at the university, insight into how these relationships impact the university, how an organizational structure has evolved as a result of the partnerships, general feelings about the OPM services and what, if any, plans exist for the future of OPM partnerships at APU. In addition, APU agreed to provide documents, such as organizational charts, that add context to the data collected in the interviews.

To identify relevant participants, I collaborated with the Managing Director of the unit at APU that manages online and professional programs. This was also the primary source of any contextual documents provided for analysis. Participants were invited to join a 60-minute interview conducted by Zoom and were provided a brief overview of the intent of this research. The interviews followed a structured questionnaire developed

using Lee & Kim's (2005) research as a guide.

Participant Selection

After initial conversations with the Managing Director, four individuals who have direct experience engaging with OPM partners were identified, including the Managing Director herself. Most of the information gathered focused on the initial OPM relationship. After the first round of interviews, two additional individuals were identified and invited to participate with the intent of gathering deeper insight into the additional OPM relationships. One of these secondary participants agreed to be interviewed and the other did not respond to outreach. In total, five participants completed the structured interviews.

Data Collection

Interview Questionnaire Development

Lee & Kim's (2005) research into a model that best explains outsourcing success in the Information Systems (IS) industry, served as a framework for the development of questions designed to guide participants to explain not only the mechanics of OPM partnerships at APU but also the behaviors and feelings that shape the dynamic. While Lee &

Kim were primarily interested in developing and understanding what model best explained outsourcing success, they used constructs that had previously been validated by research as a way to conceptualize the partnership and validate success. These constructs were used to organize and develop a questionnaire with the intention of understanding not only when there was success or failure in the relationship but what led to the outcome. In addition, questions around the history and mechanics of the OPM relations with the university were included. A copy of the questionnaire used in the qualitative interviews is included in the appendix.

Interview Process

After participants were identified, the Managing Director at APU provided a brief email introduction. The author then followed up with an email invitation (see appendix) to participate in a 60-minute interview inviting them to respond with available dates and times. Once a date and time was identified, the author confirmed with the participant via email and included the informed consent form requesting that they return the signed form prior to the interview. All interviews were conducted via Zoom and participants were asked for consent to record the

interviews purely for my reference. All interviewed participants gave verbal approval to proceed with a recorded interview.

Once the interviews were complete, I engaged in a “listening tour”. This consisted of active listening of all interviews three times. The first listen occurred while following along with a transcribed copy generated from Zoom which allowed the author to deidentify the transcription and correct any language transcribed incorrectly. The transcribed copies of the interviews were then uploaded to NVIVO, which was the primary system used for coding and analysis. During the second listen, I focused on identifying themes within the interviews and coded statements that represented topics. The coding system was designed around the constructs used to organize the questionnaire, rooted in Lee & Kim’s (2005) research and also included additional themes that were prevalent across interviews. The final listen was targeted at identifying resonate statements that exemplify key findings for use in the final report.

Interview Coding

Using the research questions and interview framework as guides, statements from the interviews were

coded in order to analyze themes and organize responses for analysis. The following codes and definitions were used:

Positive OPM Statements: This is a master category with the primary purpose of assessing how many positive statements and/or sentiments were made about the OPM in order to compare that to the negative. To better categorize the areas in which the participants felt positive about the OPM relationship, sub codes reflecting the constructs from Lee & Kim's (2005) work were also used. All of the subcategories fall under the master code "positive" and were only used if the sentiment conveyed around that variable was positive.

Behavioral Variables

Mutual Dependency: Statements that reflected behaviors that reflect mutual dependency between the OPM and APU.

Organizational Linkage: Statements that were centered around a process or personnel who link to counterparts at the OPM and/or manage the relationship. This includes meetings or point people at APU who "translate" and internalize the activity at the OPM.

Shared Knowledge: Statements that indicate a process or actions around that facilitate sharing knowledge between the OPM and APU. This could also be meetings or special circumstances in which information was shared in order to address an issue or improve the partnership.

Psychological Variables

Perception of Commitment:

Statements that reflected positive feelings about the level of commitment that OPM and APU personnel put forth in their work.

Perception of Mutual Benefits:

Statements around the benefits both APU and the OPM receive through the partnership.

Perception of Predisposition:

Statements conveying a sense of trust in the relationship and well-meaning intentions behind actions.

Outsourcing Success

Business Satisfaction: Statements focused on where the partnership led to positive outcome impacting the bottom line. For example, increased revenue & enrollment growth are two measures often used to assess the success of an OPM partnership.

User Satisfaction: Statements focused on satisfaction with the level of service received from the OPM. This includes satisfaction from an administrative and faculty point of view as well as student satisfaction.

Negative OPM Statements: This code was used for any negative statement about the OPM relationship. After the first listening tour, it was evident that the negative statements were centered around a few issues. As such, the author determined that sub codes were unnecessary.

Institutions Challenges/Complications: This code was used for statements that centered around issues at the institution. While some of these issues influenced the relationship and operational connection to the OPM, they were not a direct result from the OPM partnership. Rather this code represents issues originating within and under the control of the institution.

Future Planning: This code was used for statements that reflected plans for the future and was a resource in answering research question 2.

Document Analysis

In order to add context to discussions and APU's online program trajectory

and future plans, the following documents were provided and analyzed.

Department Organizational Chart:

APU provided an organizational chart that reflects the current staff structure within the online and professional programs division. In addition, this chart includes place holders for future staff as they seek to manage more services internally and expand online offerings. This document was reviewed upon receipt that then revisited during and after the interview analysis to gain a deeper context in what was said and their plans for the future.

Historical Program Data:

APU also provided a copy of a presentation conducted by the managing director and highlights the trajectory and challenges of their initial online program. In addition to illustrating many of the challenges discussed in the interviews, this document provided high-level enrollment trends and a general student profile which allowed for a deeper understanding of the story behind this graduate level program. In addition, general details about the areas of responsibility that OPM 1 managed with this program were outlined.

In total, there were 409 students enrolled in this master's level degree as of 2019 and 203 graduates. The median age of an enrolled student was 36 with an average of 9 years of work experience. The program takes 20 months to complete with 33.5 credit hours required for graduation. Students engage in a combination of synchronous coursework that includes live virtual class sessions and on-campus immersions, and asynchronous coursework.

Analysis & Findings

After listening to the interviews three times, reading through transcriptions and aggregating comments into themes, there were several main ideas that stood out relative to the study questions. Much was said to address the first question about the nature and quality of the relationship and there were also discussions about APU's plans for the future with online programs. The majority of information conveyed was about the relationship with OPM 1, which is the longest standing relationship, but to the extent there were comments about OPM 2 and OPM 3 they did not differ drastically from OPM 1 in terms of how they feel about and currently engage with the partnership.

Addressing the Research Questions

Findings: What is the nature of APU's relationship with OPM partners?

Of the OPM relationships discussed, two operate on a full-service tuition share contract and the newest will be a fee-for-service contract. The original relationship with OPM 1 is in year six of a ten-year contract and the contract with OPM 2 auto-renews every year and is a much more specialized arrangement focused on short-programs. OPM 1 manages one online program, OPM 2 manages several short-course programs of which many operate on campus and the arrangement with OPM 3 will be for a new online degree. OPM 3 has also contracted with another college within the university and that partnership is managed by the college directly, not by the online division. Invitations to participate in this study were sent to the college currently working with OPM 3 and I did not receive a response. As such, information about the nature and quality of that relationship could not be assessed. The new fee-for-service contract with OPM 3 will last four years. It is important to note that the information about contract terms is based solely on interview data as I was

not able to view copies of the contracts as a part of this study.

The services provided by OPM 1 as discussed by participants include marketing, admission, student support, course development, faculty training, and a proprietary LMS with a 24-hour help desk. A learning management system (LMS) can simply be defined as the technology used to deliver online components of the program. This platform is used by students and faculty to access courses, view recorded lectures, access syllabus and other documents for the course and often has means in which to communicate to faculty and classmates in the form of a discussion board. As a part of the initial contract, OPM 1 has developed an LMS that is to be used in course development. OPM 2 offers similar support in marketing, admission and student support. In addition, they collaborate on faculty hiring for the short courses given that they have access to a wide network of expertise due to the volume of relationships with other colleges and universities. While new, OPM 3 is expected to focus more on marketing, admission and course development. APU will use the university's LMS to deliver the new program and will not be contracting with OPM 3 to provide student support.

They will instead manage student support internally.

APU has developed an infrastructure with staff who link to each of these areas and liaise with university departments to integrate activity taking place at the OPM and ensure that there is collaboration with and oversight over decisions.

“So I kind of serve as a liaison between all of the folks at the registrar and those offices and then connecting those people with our OPM because they have to manage statuses and making sure everything kind of aligns as well. So I'm kind of like in the middle and I tie the two together and that's it. That's really my role in a nutshell.”

The organizational linkages allow for frequent communication with counterparts at the OPM companies. All participants referenced regularly scheduled meetings pertaining to their specific role and responsibilities with the OPM partners and also mentioned times when the OPM provided university stakeholders with progress reports. The relationship described was characterized by frequent

communication, collaboration, commitment and trust. Having staff in place to engage with the OPM on a regular basis allows APU to interject when they disagree with actions the OPM might be taking and also have a deeper understanding of why they are making decisions as they are.

The level infrastructure and frequency of contact did not exist in the beginning.

“It was a sort of black box approach that the academic units said I want to do this thing or the University said I want to do this thing and (OPM 1) said “Great! We will make that happen for you”. And then there was really no one whose job it was to monitor or manage how they made that happen. “

While none of the participants were directly involved with negotiating the first OPM contract or in the initial implementation, all but one who had only been with the university for a year, had institutional “stories” to share about the launch. They were all cautious to say that they were not directly involved and so their knowledge was based second-hand information. The story told, though, was consistent across participants. From an

organizational perspective the decision to contract with an OPM to deliver this new inter-disciplinary degree was made by the then provost during a time when there was much discussion and disagreement around the development of the new degree. The provost charged a lone staff member with “making it work” when it was time to implement the degree. The OPM worked with faculty on course development but when it came to integrating student information into university systems it was up to the lone staff member to walk from department to department to figure out how applications fee, student information, application data, registration, etc. would work with the new arrangement. The new degree operated on different academic calendar, which was a challenge also mentioned in the implementation and continues to impact what information students receive directly from the university and when.

The OPM upheld its part of the contract, developing courses, enrolling students and enrollment grew rapidly. In some ways this could be defined as business success because they were delivering on the terms of the contract. Within the university, though, there was uncertainty and skepticism around the

online degree and OPM partner because no one knew exactly what was happening. These feelings were compounded when the provost who signed the initial contract left the university as did the key faculty and staff involved in the implementation. Because the entire operation around

“And so the first thing we did to break down the OPM relationship and move towards more independence was to create the structure in our office where my job exists and the people who work for me... And we would manage the OPM, meaning that we would ask questions about, you know, why are we marketing that way? Why are we doing admissions that way? What do you mean when you have this kind of enrollment management? Like breaking open the black box and trying to look at what they were doing was the first step.”

the degree felt like a “black box”, the interim-Provost appointed a task force to figure out how they should move forward with the new degree and the OPM partnership.

This was the first step in developing a clearer infrastructure to manage the

partnership and in the process, competencies were developed in how OPM companies operate. That understanding seems to have been the foundation in the development of a department with functional roles that mirror those at an OPM. Staff currently function as mediators between the OPM and the university and are now positioned to operate as internal online program providers for the larger university. In the past year they did launch an online degree that is now largely managed internally with this new structure. That means they now offer a degree through a full-service OPM, a degree that is managed internally and have contracted with a fee-for-service OPM on a new degree. Three online degrees offered using different models.

Findings: What is the quality of APU’s relationship with OPM partners?

“I would actually say, I’m really satisfied with them. I can honestly tell you that they truly care about our students.”

To begin to assess the quality of the OPM relationships, I conducted a simple high-level analysis looking at the ratio of positive OPM statements to those that were coded as negative OPM.

Discussions about the OPM were largely positive and the negative comments centered around a few general themes: the LMS, financial implications and student support. In total, 347 statements were coded as Positive OPM compared to 93 coded as Negative OPM.

“The staff at (OPM 1) are incredible. They're really, really incredible to work with. They're nice people. They're very bright. They're very innovative. They're good people.”

Participants were especially positive about their interactions with their colleagues at OPM 1, which was attributed to the length of relationship. This includes individuals they interact with regularly as a part of their role at APU and also interactions with the leadership team. Only one participant has had contact with OPM 3 at this point and expressed a stronger connection to OPM 1 because of the time they have invested in building trust. That said, she has been pleased

with her interactions with OPM 3 thus far.

One of the words used across participants to refer to the personnel at all OPM partners was “professional”. This was area that several participants felt was an asset and something the OPM brought to stakeholder presentations with the larger university. A participant with a faculty role shared an account of his first experience traveling to OPM headquarters to work on course production. While the facilities have since changed as the company grew, he remembered being impressed with technology used at the time and the frequent conversations had to ensure a quality course was developed.

“One of our student success advisors will be up at midnight, 1-2 in the morning, helping students. I mean, you don't see that. I mean the university is closed at 5pm or when the office is closed and you need to talk to the registrar, you gotta wait until the next day.”

Participants also shared examples that indicate a high level of commitment on the OPM's part. One participant shared

an account of a student support advisor sending an email at 11:00 p.m. to address a student issue. He felt this was not something that would routinely happen at the university and was symbolic of the level of care the advisors give to their students.

Feelings were not positive in the beginning.

Across interviews, there was a lot of time spent describing internal strife around the development of the first online degree and subsequent OPM partnership. Most of the angst described centered around issues within the university in the development of the new program. Because the OPM partnership was also new, feelings about the arrangement were lumped in with frustration during program development.

“(The initial program launch was) A hot mess. I gotta say, and I think I'm speculating. I think that, well, there were a couple of things that happened on campus that created a lot of issues.”

The Provost signed the agreement with the OPM in an effort to push online

efforts forward and not stall in the midst of disagreement. Faculty became frustrated due to unkept promises made during the conceptualization phase, internal mismanagement of the entire program and poor communication about the relationship with the OPM. Discouragement around the degree shaped general feelings about the OPM partnership which were exacerbated as they entered the “black box” phase of the partnership when few understood what was happening at the OPM.

Enrollment grew rapidly, raising concerns among faculty that they were delivering a poor-quality experience. All of the angst led to the appointing of the task force who sought to “break open the black box”. This not only influenced organizational structure, but also helped diminish feelings of dissatisfaction with the degree and OPM partnership.

Negative comments centered on a few areas.

While a wide range of things were discussed that were positive, the negative statements centered around a few issues. There were two areas in which all participants leaned towards negative comments, especially as they relate to OPM 1, and seem to be factors

influencing their future plans: dissatisfaction with the OPM 1 provided learning management system (LMS) and the cost of service, or revenue share outlined in the original contract.

“Back in 2014 when they asked us, hey, what about our LMS? I think they feel good that they asked faculty at different schools how they like the LMS which is great, I think you need to do that. You also need to listen and implement those ideas. You know, you can't just give this lip service. I guess that is my symbol of frustration with the (OPM) LMS. “

While one participant’s dissatisfaction with the LMS centered around ease of use, another focused on the fact that using the OPM LMS was redundant. The university has a contract with an LMS (Canvas) that is used across the university to supplement on campus courses. As APU seeks to expand their online degree portfolio they expect to look to campus-based programs and develop an online version. To build out online courses using a completely different LMS platform when course content already exists on another doesn’t make sense to them. They also feel it will be easier to transition faculty

to online teaching using a platform with which they already have familiarity.

Two participants stated that they would strongly consider a contract renewal with OPM 1 because of the positive feelings if they were open to negotiating a contract that allowed them to choose the LMS platform. This seems to be a very influential factor on future plans.

“I'd say their commitment to us is 90% instead of 100%. I'm very happy with them if they would fix that darn LM S I would, I'd probably be in there saying, “We’ve got to stick with (OPM 1) for another 10 years but..

But the reality of it is, okay, well if you're going to do what's good for you. Then we're going to do what's good for us.”

The second area all of the participants mentioned in a moderately negative way was the loss of revenue as a result of the partnership and general transparency about the OPM finances. All acknowledged this as a reality of outsourcing and did not hold it against the OPM, but also alluded to feelings within the community that the OPM

was taking too large of a share. Several cited the amount of upfront funding that the OPM is able to access in the development of a new online program as a benefit and all agreed that the percentage of revenue they receive from tuition is justified, but they also felt that it would be better for APU if the university was able to capture a greater share of the revenue by

“And it's the money...(OPM 1), does a really nice job. I don't think we're not getting what we're supposed to - we wouldn't not go with (OPM 1) because they were not doing a good job for us - it's just because they charge for what they do that we would just assume keep for ourselves”

managing internally. This is another factor influencing future plans. Student support was a service that received mixed comments across participants. One participant had strong disagreement with the approach that OPM companies take with student support, feeling it derived from a for-profit approach. This participant has worked in student affairs roles for 20 years and referenced a negative experience working at a for-profit college which shaped her view. She described the approach as “invasive”

“This is a hazard and I've talked to those advisors about this before and they agreed that its a problem with contacting them so frequently.

The problem with contacting students so frequently and just having those conversations is they don't put it on the survey, because they've had that conversation with you. Informally, why would I put it on a survey if I've already talking about it?”

outreach and felt it had a negative impact on the student experience and on data captured through surveys. Others felt strongly that this was one of the strengths that the OPM partnership offered. Participants cited the amount of staff dedicated to calling students, net-promoter scores from survey data, and general commitment from OPM staff as reasons the student support approach was effective. A participant who had generally positive things to say about student support did feel that it created “dependent students.”

“The double-edged sword of what you would call the “white glove approach.” The fact of the matter is that the OPM does a much better job than the University of supporting students with their student success coaching and counseling.

The students are so well served they are so accommodated that they don't develop the problem-solving skills and the tenacity and the resilience that a student with less support has to develop and they develop a sense of expectations and entitlement that's hard to control.”

Yet, the positive comments about the service were strong. One participant felt that the resources and scale that an OPM brought to student support could not be matched in a university setting. One who works closely with the student support team at OPM 1 felt their level of commitment exceeded what he experienced with staff at a university, with emails about student concerns happening in the late hours. Another referenced net-promoter scores from survey data as evidence that the service was a real benefit and also thought the level of contact was not something the university could offer.

“And so we had all these relationships that were helping run our operations and they made everything run really smooth. But they (OPM 1) basically just said you get to redo all this and re-educate everyone and sometimes you have to reinvent the wheel. But we had, you know, we had trust built up in all those relationships.”

Some additional issues raised as negatives included rapid growth in enrollment, personnel changes at the OPM 1 and lack of control over decisions. The changes in personnel at OPM 1 was mentioned by several participants as it had an impact on how their roles engaged with the OPM and they had to re-educate their new counterparts. It led one participant to question the level of commitment on their part.

Findings: Planning for the Future

At the time the interviews were conducted, participants spoke willingly and with some certainty that they were planning to exit the full-service relationship with OPM 1.

“But over the years we've had lots of internal conversations and the way that those political winds are blowing changes you know, year over year. It looks very different and I can only speak to where we're at right now and any other day, it could be another story. But where we're at right now is University not renewing the contract with (OPM 1)”

As the task force sought to understand and determine how best to proceed in OPM relationships, they also developed an internal structure, skillset and processes that they feel prepare them to manage more aspects of online program delivery internally. This led them to partner with OPM 3 in a new online program primarily because the fee-for-service structure allowed for more flexibility in selecting the services they wanted. Although the satisfaction with the quality of service received from

OPM 1 was resounding, the bundled nature of the contract is a deterrent. OPM 3 also offered a shorter-term contract which was attractive. At this point, they think they may still outsource marketing and admission, but the more they can manage internally means less revenue to an outside entity. The opportunity to capture more revenue is attractive and takes precedent over fond feelings for OPM 1.

The decision to exit the contract with OPM 1 when it comes up for renewal in four years seems to have been widely communicated. All participants

“I mean, they know full well that I'm working on a plan to end the contract in 2024.

And they know full well that we were launching (a degree) in house and trying to use the training wheels of everything I ever learned from them and they wanted to help us do that.”

referenced a plan for the future that was consistent and the Managing Director indicated that their plans had also been communicated to OPM 1. They feel this gives them adequate time to plan for the transition, identifying what may need to be replicated and learning what they can about how the

program is currently managed. Recent events, though, may change plans over time depending on how things trend. Concerns about revenue losses from campus-based students due to COVID-19 have halted investments in staff that were intended to fill gaps left by the current OPM contract. Uncertainty about where they will be in four years was expressed, but it was clear that they are operating on a strategic move towards independence, outsourcing fewer aspects of the process.

Several of the participants used the term “training wheels” to describe the experience with OPM 1 and felt that they would not be where they are in online programs had they not embarked on the partnership. There was appreciation for the experience and how it has helped them evolve. The Managing Director was especially appreciative of OPM 1’s willingness to help with the program they developed internally and the transparency that existed between the two parties.

Key Themes Across Interviews

After evaluating the interview data for information that addressed the fundamental research questions, I went back to see what more might be gleaned from these conversations. There were a few key themes that came

through all of the interviews that help describe the trajectory of the relationships with OPM companies at APU.

Control

There were 18 direct references to control across all interviews, but when synonyms like manage were factored in as well as an analysis of situations described, control was a common theme in the relationships discussed. At first, what was described was a lack of control in the initial relationship with OPM 1. No one was managing the relationship and the OPM 1 company was just doing what they needed to do to uphold the contract. This was the “hot mess”, or “black box” phase participants referenced.

There was a deliberate attempt by APU to gain some sense of control over that initial relationship in the creation of a task force. The goal articulated was to better understand what was happening to inform the future direction of online programs. As they sought to understand, this knowledge gave them a sense of control and recognition that close collaboration between organizations benefited them both.

In the beginning, there was one individual tasked with making the relationship work and what has evolved

since is a department with multiple points of contact, liaising between the OPM companies and larger university. The development of this infrastructure has not only improved feelings about the level of control APU has in their OPM partnerships, but also confidence in their ability to manage more of the online program delivery internally. This allows for even more control in the future, but it is important to note that this came from an internal investment from the university. Plans for the future include a greater internal investment and decreasing the external investment. This allows them to have more control over the process.

Transparency

Another key theme that was evident across interviews was the idea of transparency. During that “black box” phase, there really wasn’t much transparency between the OPM and APU. The unknown fueled concerns around these relationships at APU that subsided somewhat as the sharing of knowledge between organizations has increased. Participants described situations where they felt they were very transparent with their partners and that they feel this is reciprocal for the most part. A few participants mentioned a desire for more transparency from partner

organizations, especially when it came to the finances. While there was acknowledgement that their partners are for-profit companies, there was interest in understanding more about how the OPM tuition share from APU fed financial decisions and results at the company.

Revenue-focused

The third theme identified was broad recognition that one of the main goals in developing online programs and the department that has evolved, managing professional and online programs at APU, is to generate revenue for the university. The initial partnership with OPM 1 allowed them to generate revenue immediately with limited investment on their part. The trade-off was the high share of tuition revenue that goes to the OPM. Participants appreciated the fact that the OPM was concerned with profit and while there was a desire for more information about finances from their partners, there was recognition that APU did also receive a financial benefit.

As they have evolved and invested more internally, though, a desire to capture more revenue from their online efforts was conveyed. Since they now have an infrastructure to manage the relationships, with that has come

knowledge and skills that they feel have prepared them to manage more of the program delivery. This also means they do not want to feel bound to a contract that provides services they can deliver themselves. This is largely what led them to their new relationship with OPM 3 where they can choose the services they want and pay for the service, rather than relinquish a share of tuition. They feel this will allow to generate even more revenue than the existing contracts allow.

Learning Mentality

Finally, another frequent word used across interviews was various iterations of “learned” and “learning”, with 63 references. Given that this is an academic institution and the products discussed were academic programs, that may not be surprising. What was interesting, though, is that an analysis of the context and usage revealed that these were largely discussions around APU’s learning curve with their OPM partners.

One of the reasons APU considered an OPM initially was because of the skillset they brought to the development of a new initiative. Not only was there a lack of knowledge and skills around online program delivery, there was also much to be learned about managing

relationships with external partners. This started to change when they sought to understand what was happening with the program.

This really seemed to start with the development of the task forces to inform the future direction of their first online program and was something that seems to occur on an ongoing basis, learning what they can to better manage the relationships and develop a skillset internally. As they recently developed an online program that is mostly managed internally, they sought guidance from their partnership with OPM 1. There was a willingness to assist with that program and the Managing Director indicated that discussions have started about what they need to learn if they opt not to renew their contract.

Discussion

One thing that stands out from the interviews is how clearly the strategic plan to move away from the full-service OPM contract towards more internal management of online programs had been communicated. The Managing Director described their strategy as serving as an internal OPM for the university. What at first seemed like an

exploration into how to best to manage complex relationships has shifted to a question of how an organization might disengage from a mutually dependent partnership. APU has very thoughtful plans on how to move forward with this strategy. This has also been a focus of some recent articles that suggest that the full-service OPM model may be a temporary way for institutions to enter the online program market, serving as “training wheels”, as a participant described (Busta, 2019).

What is interesting about APU’s decision to move away from the full-service contract is that the picture described in the interviews was one of a very productive and positive relationship with high levels of both user and business satisfaction. In many ways, the current partnership with OPM 1 at APU exemplifies Lee & Kim’s (2005) behavioral-attitudinal model of an effective outsourcing relationship. When the partnership was first developed, it was much more chaotic with many questioning the OPM’s intentions. Given that none of the participants were directly involved at the beginning, it is important to note that this is second-hand information, but a consistent picture was painted. A strategy was employed to first understand what was happening and

eventually led to the development of an infrastructure to manage and understand the relationship. Establishing a clear process that included high levels of shared information, clear linkages across both organizations and recognition of ways in which both parties were mutually dependent, led to higher levels of trust, more positive feelings about the level of commitment and deeper understanding of how each benefit from the relationship. All of which led to greater success. This also allowed APU to develop their own capabilities leading to a higher level of confidence in their capacity to manage more elements of the online process, and thus capture a greater share of revenue

Looking beyond Lee & Kim’s (2005) model, though, raises the question of how success is defined and who matters in interpreting the definition. In the early stages of the partnership, there is evidence of success from the partnership. The OPM was integral in launching a degree online despite internal challenges, leadership changes, and lack of clarity on who “owned” the program. The OPM was also able to achieve rapid enrollment growth. Some might call this success, yet participants conveyed a story of dissatisfaction with what one referred to as “catastrophic

growth". This intensified concerns about the OPM relationship within the community – especially among faculty. While there are data points one could reference that indicate what Lee & Kim (2005) would define as business success (program development and enrollment growth) participants felt that general sentiment in the initial stages of the program launch within the community saw the OPM relationship as a problem that needed fixing. Appointing a task force and establishing an infrastructure to manage the relationship was integral to reaching a sense of stability and greater user satisfaction. As Phipps & Merisotis (2005) highlight, outsourcing in higher education is complicated in part because higher education values more than just the bottom line.

Literature focusing on what makes for a successful outsourcing relationship highlights the importance of establishing a process for managing the relationship at the outset and an awareness these relationships are dynamic, not static, requiring ongoing work (Power, Desouza, & Bonifazi, 2006). At APU it seems as if the initial contract was established with a limited understanding of the work required to both implement and sustain the partnership. Overtime, they engaged in significant effort to understand the

dynamic and establish infrastructure. This was an important move towards a more effective partnership.

Even though participants conveyed a current state of satisfaction and an effective working relationship with OPM 1, it is notable that they also were very clear that at this point the intent is to let the contract expire when it is up for renewal in 2024. This suggests that there may be bigger considerations in OPM relationships beyond just stability and success. In APU's case, there are two primary factors that are influencing their future plans. The first is dissatisfaction with OPM 1's proprietary LMS system, the use of which is a part of the bundled contract, and that seems to be a deal breaker. Beyond just dissatisfaction with the system are complications that will result within the institution as they seek to grow programs. They already have an LMS that is used for on campus programs and as they seek to adapt some of those programs online, using a different LMS would not be efficient. In the interim, they have engaged in a new relationship with OPM 3 as a way to address their desire to be able to select services and confidence they have developed in their ability to manage more on their own. Yet, it seems as if this is a transitional solution as opposed to a permanent

one, which stems from the second reason to move towards internal management that was overtly stated, which was financial. Capturing more of the revenue share is very attractive to APU, especially when they feel as if they have some resources within the university that can be leveraged to support online program management. Yet, it was also acknowledged that they will never have the resources and scale that an OPM can provide in several areas, so the financial bottom line becomes a real question. They plan to work with vendors and potentially an OPM offering fee-for-service contracts in areas they will not be able to build internally. Right now that seems to be primarily marketing and admission. Determining the real cost of this, though, is more challenging. If internal management with select outsourcing leads to a significant decline in enrollment and they are still paying vendors to outsource services, then they may not end up with a financial gain even if they are capturing more tuition revenue. Alternatively, they may be able to sustain a decline in enrollment and still end up ahead because they are capturing more tuition revenue. It's a risk and one they seem confident in taking.

This leads to some of the more unspoken influences in the decision to move away from the relationship with OPM 1. The first is increased confidence as a result of what they were able to learn through managing the relationship.

Busta (2019) writes about this as a possible trend in the OPM market. Do full-service contracts decrease in value as an institution gains knowledge about how to manage online programs and increases internal capabilities, or is it just that the full-service tuition share model is being replaced with fee-for-service due to a demand for more flexibility? Dissatisfaction at higher education institutions with being tied to long term contracts that may include services they have been a factor in the growing trend of a more ala carte approach in OPM contracts and creation of companies like Noodle Partners who operate on a fee-for-service model rather than tuition share. What happens when institutions decide to change OPM companies or move services internally? Are they more successful, less successful or similar enough where more control outweighs any loss in the relationship? Literature suggests that changes in outsourcing can come with high switching costs and it is unknown what the financial impact may be as institutions opt to contract

with different companies or move towards vertical integration (Power, Desouza, & Bonifazi, 2006).

Beyond just staffing, there were other OPM service areas participants were very satisfied with that will either need to be addressed as APU disengages from the OPM 1 contract or represent potential vulnerabilities as the relationship dissolves. The first is the amount of data that the OPM is generating and sharing to assess progress, measure success and identify areas of improvement. The time and resources involved in collecting, analyzing and presenting this data should be considered. It will be important for APU to understand fully not only what they are receiving but how and where the data is generated, what is involved in analysis and what types of reports need to be replicated. In addition, several participants mentioned the level of professionalism the OPM brought to meetings, reports and interactions within the university community. While they as a unit will have a different relationship with the larger university, developing a culture of professionalism within their department will only add credibility as they seek to serve as an “internal OPM” to APU.

The biggest area of potential vulnerability may be in the student support. Most participants felt this was something the OPM did extraordinarily well, with more resources devoted to student outreach than the university is likely to match. Yet one participant disagreed strongly with that sentiment, stating that she would not sign with an OPM again solely because of the student support model used. This is interesting and raises questions about how online students should be supported. The OPM uses a very aggressive outreach and a consultative approach, reaching out to all enrolled students frequently. These relationship-driven conversations are believed to be helpful in identifying problems that need to be resolved and effective in increasing student persistence. Yet this is very different than the type of student support offered on most traditional college campuses in which a wide range of academic support resources are available as well as those focused on building a community. It may be that online students are just “different” than students enrolled on campus, but at the very least it raises questions about how online students should and want to be supported. OPM companies have a wealth of data to show that their model has a positive impact on student-

persistence as they have a financial investment in students completing programs. This brings us back to Phipps & Meritosis (2005) and the differences in values between OPM companies and higher education institutions and how those values drive strategic decisions.

Recommendations to APU

APU has developed a structure that was described to be very effective at managing the OPM relationships. They exhibit many of the behaviors that the literature highlight that lead to successful outsourcing relationships, including frequent communication, a high level of shared information, sense of trust and commitment, organization linkage, and transparency. By all measures, the relationships with OPM partners at APU, especially OPM 1, appear to be a healthy, functional and effective. However, the participants did highlight valid reasons for moving away from the contract with OPM 1. Given the current functionality, there are some things to consider as APU seeks to exit that contract and manage more services internally. This will be a change and change never comes easy. Moving away from a partnership that has yielded success does pose a risk, but it

may very well be a risk worth taking and a logical next step as an institution develops more vertical integration in the services needed to deliver online programs.

The Outsourcing Handbook: How to Implement a Successful Outsourcing Process offers some guidance on how to exit an outsourcing relationship (Power, Desouza, & Bonifazi, 2006). They identify three areas that should lead clients to re-evaluate the agreement and they include: internal events, external events and changes to the vendors business (Power, Desouza, & Bonifazi, 2006). In APU's case, their efforts to understand and manage the agreement have led to internal changes by developing an infrastructure capable of more independence. Given that there are internal changes leading to different types of need and the few areas motivating a change, it does seem as if a discontinuation of the contract is warranted.

Disengagement Strategy

To minimize disruption, it will be important to develop a clear strategy to transition. APU has already started this work by developing an organizational structure that mirrors the functional responsibilities of the OPM. They have also notified the OPM of their intentions

so that they can collaborate over the next four years on what can and needs to transition. It will also be essential to identify and plan for areas that will need to be recreated. Continuing on this path will be important as the end of the contract nears and the more that is understood about what type of coverage is needed the easier the transition.

While the scope of this study with APU is relatively narrow, there were a few areas discussed in the interviews that may be vulnerabilities as they exit the OPM 1 contract.

- **Student Support:** Given that most participants felt strongly that this service was an asset and it was also acknowledged that they will not have the resources to match staffing, developing a plan and approach to internally managed student support will be essential so as not to negatively impact retention. APU currently offers an online program that is managed internally so comparing approaches and results could be helpful in identifying what works.
- **Data Collection and Analysis:** OPM companies develop and analyze a wealth of data that informs decisions. While APU has a position slated for a Business

Analyst, it will be vital to understand as much about what type of data the OPM is creating, where it is generated, and what tools, if any, need to be recreated in order to be able to collect similar information. This is another area that could be explored with the program they manage internally to compare what information they receive from the OPM, what information they reference in meetings to the kind of information used to assess aspects of the internally managed program.

- **Staff Training on the Transition:** As least one participant has a role that will change dramatically from mediating the relationship to direct student contact and it is likely that some impact will be felt by all in the transition. Open communication and training on any new responsibilities or changes in role will only help minimize the inevitable pains that come with change.

Staff Training & Internal PR

Multiple participants mentioned the level of professionalism exhibited by all representatives of the OPM as an impressive asset. Not only does this positively impact the regular

interactions by those who engage with the OPM as a part of their role, but an example was used where a faculty member mentioned how impressive a presentation was asking if that information was available for the internally managed online program. It was information that was available, but due to limited resources the department was not able to pull that information together and present it with the polish that the OPM, who was presenting to a client, is able.

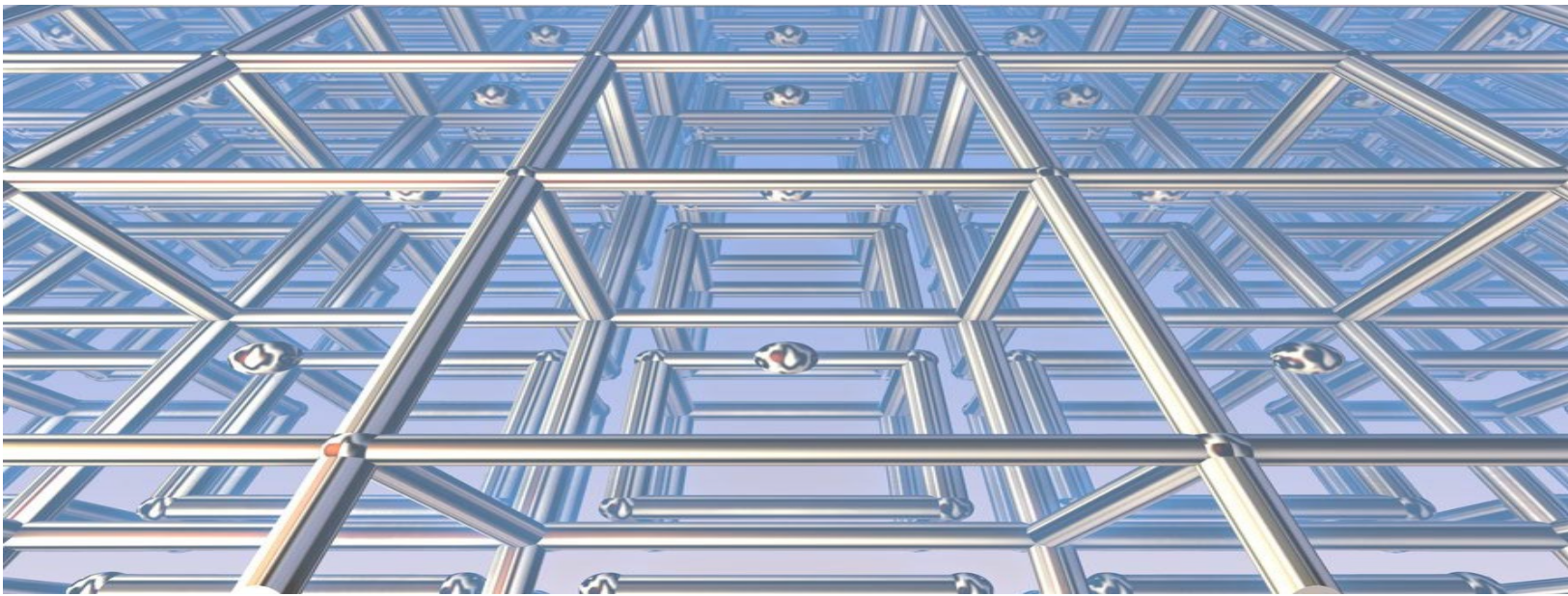
As APU disengages from the contract with OPM 1, it will be all that much more important to manage internal impressions and expectations. Developing a culture and skillset within the online and professional programs division that approaches work as if it were for a client will be helpful in not only making the transition away from OPM 1 but building credibility within the university.

- Plan for professional development training for staff that centers around presentation skills.
- Develop an internal public relations campaign to showcase existing work and plans for the future. Consider holding town halls and supplementing with email communication.

- Have a frank conversation with OPM 1 on what kind of training they conduct for staff on client relations and if there are resources available they can share that might help the APU online and professional programs division showcase their work to the university community.

A Proposed Framework for Decision-Making and Effective Management of OPM Partnerships

Although APU represents just one example of how a university has evolved in the management of their OPM relationships, there are more universal lessons that can be learned by connecting back to the literature. While APU's case may or may not be representative of the other colleges and universities who partner with OPM's, it did illustrate some common challenges described in outsourcing literature. If OPM relationships offer similar benefits and challenges as other outsourcing practices, then there is a wealth of information available on how to make



informed decisions and effectively manage these partnerships.

After reviewing the literature and considering APU's case, I have developed the following framework to assist higher education institutions as they make decisions about OPM partnerships. This could be referenced at any stage of a partnership from new to existing as the aim is to identify a decision-making process and organize where various types of OPM relationships might add the most value. In addition, a guideline to some of the factors institutions should consider as they make decisions about how to proceed with online programs, highlighting behaviors that foster effective outsourcing relationships if an OPM partnership is a part of the equation.

Decision-making Framework

As higher education institutions evaluate their online programs or consider developing new online efforts, the same general themes can be applied. Using the *Outsourcing Handbook: A Guide to Implement a Successful Outsourcing Process* as a guide and applying those recommendations to what we know from APU's experience and general research into the OPM market, recommendations are offered on how an institution might develop a plan for their online programs (Power, Desouza, & Bonifazi, 2006). First is to understand what the goals the institutional goals are with online programs and engage in an internal audit to identify stakeholders and existing skills. Second is to determine whether or not to outsource considering the time,

Full-service Partnership

Limited resources

New to online programs

Staff identified to manage the partnership

Ala Carte Partnership

Some understanding of online program delivery

Strong skills in some areas & understanding of gaps

Able to increase staff to accommodate new program

Internal Management

Access to upfront capital necessary to develop program & compete

High level of knowledge and skills in online program delivery

Able to increase staff significantly

resources and capabilities it will take to develop internally. Third, if it is determined that outsourcing is necessary or preferred, then identifying the options in the market and weighing the implications on the institution.

Finally, developing a careful plan for development and implementation, management and communication throughout the effort.

Engage in an Internal Audit

Power, Desouza and Bonifazi outline two first steps in implementing a successful outsourcing effort: strategic

analysis and needs assessment (2006). This framework combines and expands on those efforts to develop a broader understanding of where online programs are situated internally, including the following:

Conduct a Strategic Assessment

Consider not only where the new program or online efforts in general fit with larger institutional goals and mission. In APU's case, participants felt that in the launch of their initial online program the financial benefits were emphasized and that was considered to be problematic. Institutions often seek

to expand into online market for a financial gain but going further to determine how offering an online option and the programs identified for the modality fit with the larger institutional mission will help gain buy-in from key stakeholders and the larger community. It will also help higher education institutions, who tend to be mission-driven, maintain focus as they make on-going decisions about online efforts.

Identify Key Stakeholders

This includes not only faculty and administrators involved in program development, but also key staff who will be impacted by the implementation of online efforts. In APU's case, one lone staff member was initially identified to make things work after a decision had already been made. Had operational departments been considered, some of the hurdles that came up could have been avoided. One example used was a work-around developed to apply application fee payments received through an external entity to a student's account. It may seem to be a minor issue, but the more minds involved in the decision-making process and implementation plan, the smoother the transition.

Engage in a Needs Assessment

Before exploring options in the market to contract with an OPM or just decide to manage internally, it is important to understand what resources, skills and capacity exist internally. The more that is understood at the outset means a more informed decision and positions an institution to better negotiate a contract if outsourcing is determined to be the best option.

Understand Available Options

To recap what was learned through research into the OPM market, there seem to be two primary types of contracts available when it comes to the financial arrangements: tuition share and fee-for-service. The second thing to consider is the type of services the OPM will be providing and whether an institution wants a full-service, bundled set of services or if they prefer to negotiate what will be outlined in the contract. Third is to consider the length of the contract. Full service, tuition share contracts tend to be longer whereas the trend towards fee-for-service also seems to offer shorter term contracts. And of course, there is also the third option to consider which is to develop, manage and deliver internally. All of these options come with trade-offs so the institution will have to compare their own internal audit to the

available options and identify the best path forward. Note that while it may seem like an attractive option to manage online efforts internally, to do this well requires a significant financial investment.

Develop an implementation plan

This will in part be determined by the option chosen. If the preference is to manage internally, this will no doubt be more robust. If an OPM partnership is chosen, they will have a plan to collaborate on the areas that the institution is responsible for in the contract. Commonly this includes course development, filming, marketing collateral, etc. It is important to remember that they are experts on the areas in which they are expected to deliver and also in helping institutions adapt to online delivery. They are not experts, though, on the organizational structure and mission of the institution. Even if the OPM is managing a large portion of the online delivery process (i.e., full-service contract), there will be areas that need to link back to university systems and processes. Understanding and planning for how the online effort and/or partnership fits within existing structures is essential in implementation plan development.

Manage the Relationship and/or Process

In APU's case, this was an aspect of the process that was vastly underestimated in the initial phases of their online program. Today, though, this is a key piece of all of the participants job. A full-service contact with an OPM can appear to offer minimal involvement from a staff perspective. In reality, APU's longest OPM relationship is on a full-service contract and in order to better understand and manage the relationship, multiple staff are involved. There is frequent contact to ensure activity with all OPM relationships is collaborative, that information is integrated back to the larger university and that they have, or at least feel that they have, control over the relationship. Understanding up front that no matter which option is chosen, someone or many will need to be identified to manage the process. Think back again to Susan's remodel, how might things have turned out differently had she been more involved in decisions and managed the contract?

Revisit

Expect that there will be challenges as there are with any new effort and that revisiting progress, the status of the relationship and the initial internal audit on a regular basis will ensure that the

institution can adapt as needed. Not only reacting when things seem dire but making proactive decisions about online efforts and outsourcing relationships.

Study Limitations

The intent behind this research was to illustrate and learn from one institution's experience developing and managing relationships with Online Program Management (OPM) companies. Integrating their story with a review of the OPM market and literature on outsourcing, led to both recommendations targeted at APU and a decision-making framework that may have more broad application. While there may be useful information in the contextual framework, findings and recommendations, it is important to consider the limitations of this work.

This is just one case.

This is just one story of an institution seeking to navigate the online strategy and best determine how to manage. Their challenges are theirs alone and the decisions made by the institution may not suit another institution. In the decision-making framework, one of the key steps is for institutions to identify their own strategy, structure and challenges. APU represents just one and the companies with which they

work are just a small sample of the market. As such, this should be considered as a case, not the rule.

Participants represent a small sample.

While the individuals interviewed were identified in partner with APU as those who had the most robust contact and potential knowledge about the OPM relationships, their feelings and experiences may not be representative of the APU community at large. It is also not known if there were others who regularly engage with OPM relationships that my contact was reluctant to recommend. I did invite

Findings are dependent on self-reported and at times, second-hand data.

The scope of this study and any conclusions or recommendations is dependent on qualitative interviews in which participants shared their own experiences. In addition, because none of the participants were actively involved in the initial negotiation and implementation of the OPM 1 relationship, much of the history conveyed is based on second-hand knowledge.

This is just APU's perspective.

While the scope of the research questions focused on the organizational impact of OPM relationships at a higher education institution, it fair to assume that the OPM may have other feelings and opinions about the relationship with APU.

Selection bias.

APU was the initial source for identifying and introducing me to all participants in this study. While it was necessary to work through staff at APU to identify individuals who had knowledge about the relationships with OPM companies, it is notable that the recommendations came from a single source which means bias may have been involved in participant identification.

Future Research

As frequently happens with research, and in part due to the narrow scope of exploration with this particular project, the I am left with many more questions than answers. Most of these areas lie in the findings at APU, but some were discovered as the OPM market and literature were explored for context.

How often do colleges and universities exit OPM contracts and how do they fare when they do?

This is an area that is likely to depend largely on the institution and their motivation and preparedness for exiting a contract. However, it is still an area worth exploring to better understand trends in the market and identify potential switching costs. Is it really that full-service OPM's are "training wheels" and a spring-board for institutions to enter and learn about the online market as they develop internal capabilities? Or, do these contracts create dependent clients due to the length and high level of mutual dependency involved? When clients do exit a contract, are they able to sustain what success, if any, was achieved during the partnership? Lee & Kim (2005) highlight the longevity of outsourcing in information systems as an area for further research and this a question that could be raised about the OPM market. Is there a point of diminishing value in outsourcing through an OPM – or in outsourcing in general? Or is it simply the tuition-share model that is becoming less attractive to institutions?

What are the full financial implications of an OPM relationship'?

Outsourcing generally comes with assumptions that it will reduce costs and increase efficiencies. Wekullo (2017) explored the impact of outsourcing in higher education with these questions, among others, in mind and found mixed results. One of the complaints about the tuition-share model in OPM partnerships, is the loss of revenue at higher education institutions. But what gains has the relationship offered and could they really be matched at a lower cost? Or, are OPM partnerships actually costing institutions more than if they took the time and invested in an internal infrastructure? What about the long-term financial impact? Noodle Partners is very transparent about their pricing model and forthright about the potential financial impact the full-service contracts might be having on the higher education industry. They feel a fee-for-service model is a solution. Does fee-for-service really reduce costs at institutions who partner with OPM companies?

A recent concern raised by industry publications is that institutions may be charging more for online programs and

some speculate that it is to offset the loss in revenue due to an OPM contract (Newton, 2018). As a whole, there is not a lot of transparency around which schools are partnering with which OPM companies (some are more transparent than others), so this is a very challenging topic to address and without knowing more about costs versus revenue at both the OPM company and at the higher education institutions, it is challenging to determine the full financial impact, not to mention how this impacts students. With concerns about the cost of higher education rising, this is a topic worth exploring further.

What is the best way to holistically support online students?

The consultative approach to student support used by OPM companies has become common practice in online programs, yet it differs from the more community-driven support offered to students enrolled on campus. General sentiment seems to be that online students and online learning is just different. Is that an accurate assumption or are there things that have been learned about retention and persistence in campus-based programs that could be applied to online

learning? OPM companies have data to support that the high-touch, consultative approach has a positive impact on retention, but is it effective in building a sense of community and bond with the institution? Do online students want a sense of community? The most recent Wiley Online Services survey of the online industry indicates that students want an alumni network and stronger career support, areas allude to a desire for stronger ties to the institutions' community (Magda, Capranos, & Aslanian, 2020). Are there services and approaches to supporting students on college campuses that could add value to the online student experience?

Is there really a values conflict between higher education institutions and OPM companies? If so, what are the implications?

One of the concerns about outsourcing raised in literature was the potential conflicts that might arise from an organization with a fundamental business focus and a higher education institution that may be concerned with their ability to thrive financially, but is less concerned with profit and more concerned with academic quality (Busta, 2019; Hall & Dudley, 2019).

With the amount of influence OPM companies have over aspects of the student experience, how well are they able to convey the values the institution wishes to convey in their academic experience? Does it matter that values may differ? As an example, the author examined the CEO profiles of over 30 OPM companies as a part of the research for this project and all of those holding titles of CEO or President, were male with 98% of them of Caucasian descent (the other 2% were of Asian descent). Few if any had experience at traditional higher education institutions, with most having experience in technology, marketing or other services that support higher education. Given the role that OPM companies play, this experience may be what is needed and I don't presume to draw any conclusions from this cursory research. Several companies seem to have very diverse representation among staff beneath the CEO and many may bring that higher education experience through staff and other leaders within the organization. With higher education seeking to diversify its leadership to better represent the students they serve, it is notable that key leaders in a small industry that is impacting higher education lacks diversity. At a time when diverse representation in leadership is under great scrutiny, this is

something worth noting and is a challenge to the OPM industry to evaluate their own diversity and inclusion initiatives and consider how values align with and represent the institutions they serve. It seems as if the differing values mentioned in industry publications comes with an assumption that it is problematic. Further research into whether or not values actually differ and if they do, whether or not the difference leads to problems, is warranted.

Conclusion

Working with APU to explore the nature and evolution of their relationships with OPM companies has highlighted the complexity of outsourcing. It took effort and time to understand and effectively manage the relationship with their first OPM company and that work has positioned them for online program expansion in the future. While they are not eliminating the possibility that they may outsource select services in the future, it is clear they are moving towards more independence. It is notable that this is not a direct result of a dysfunctional relationship; on the contrary, the current state could best be characterized as very positive,

functional and successful by many metrics. Putting their own needs first has led them to a strategy the involves building capabilities internally and letting the initial contract expire. This suggests that outsourcing is about more than just achieving success and that maybe, success can be defined in different ways at different times. There is still a lot to be learned about the impact that OPM partnerships is having on higher education and it is an industry that is evolving as needs change. There are clear benefits to the relationship and they have helped higher education transition into online delivery faster than it may have been able to on its own. That may be the biggest impact and benefit overall. These relationships often fall under scrutiny at institutions, with plenty of blame placed on the OPM. Institutions need to realize that this is a marriage of sorts, with responsibility on both sides. They need to do their due diligence in the beginning to ensure that an OPM contract not only suits their needs, but that it is communicated transparently within the community with resources devoted to ongoing management. A partnership is only as good as you make it.



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Appendices

Appendix A

Email Invitation to Participate in Research

Subject: Invitation to Participate in Vanderbilt Research Study

Hi (NAME),

I'm following up on (the Managing Director's) email introduction from earlier today as she has indicated that through your role at (APU) you have direct contact with the OPM companies who assist in the facilitation of your online programs. I am reaching out on behalf of Vanderbilt University to ask if you would agree to be interviewed to talk more about how these partnerships work at (APU).

Should you agree to participate; I would like to schedule time for an interview to talk more about your experience. During the 60-minute call, I will ask you about your knowledge of and experience with the relationship with your OPM partners and how that impacts the program, practices, and processes at (APU).

I hope you will choose to participate in this important study that will provide deeper insight into the use of OPM companies to facilitate the delivery of online programs and the overall impact these relationships have on institutions. If you are willing, **please email back a few dates and times that you are available to speak.** In addition to the work week, I am available on evenings and weekends if that is more convenient.

I look forward to hearing from you and thank you in advance for any help you can offer to this research.

All the best,

Andrea Schmoyer
Vanderbilt Peabody College
Ed.D. Leadership & Learning in Organizations Candidate

Appendix B

Informed Consent Form

**VUMC Institutional Review Board
Informed Consent Document for Research**

Principal Investigator: Andrea Schmoyer

Revision Date: 6/5/20

Study Title: Outsourcing Online Program Management: Exploring the Organizational Impact of Multiple OPM Partnerships and Planning for the Future at a Private University

Institution/Hospital: Vanderbilt University

Name of participant: _____ Age: _____

The following information is provided to inform you about the research project and your participation in it. Please read this form carefully and feel free to ask any questions you may have about this study and the information given below. You will be given an opportunity to ask questions, and your questions will be answered. Also, you will be given a copy of this consent form.

Key Information:

The first section of this document contains some key points that the research team thought you would find important. The study is described in more detail after this section. If you do not understand something, please ask someone.

Key information about this study:

The purpose of this study is to explore the impact that partnering with an online program management (OPM) company to facilitate the implementation and delivery of online programs has on an institution, including any benefits and challenges that the relationship might offer. Your participation will involve an hour-long audio taped interview. Information you provide during this interview will contribute to a better understanding of the impact that outsourcing relationships have on higher education. While we believe that these interviews represent minimal risk to participants, this will require your time and given that the nature of the interview involves how your university engages with partner organizations, this may pose a small risk to employment. To minimize any potential risk involved we will mask your identity using deidentified data and the use of pseudonyms for both your institution and any partner organizations discussed.

You do not have to be in this research study. You can stop your participation in this study at any time. If we learn something new that may affect the risks or benefits of this study, you will be told so that you can decide whether or not you still want to be in this study.

Detailed Information:

The rest of this document includes detailed information about this study (in addition to the information listed above).

You are being asked to take part in this research study because your role has been identified as one that engages with one or more of your institution's OPM partner companies. As such, you may have valuable information to share about how these relationships operate at your institution.

You do not have to be in this research study. You may choose not to be in this study and get other treatments without changing your healthcare, services, or other rights. You can stop being in this study at any time. If we learn something new that may affect the risks or benefits of this study, you will be told so that you can decide whether or not you still want to be in this study.

Procedures to be followed and approximate duration of the study:

If you choose to be a part of this study, you will be asked to participate in an interview that should take approximately one hour to complete. Additionally, I may ask to follow up if there is clarification needed on any of your responses.

Date of IRB Approval: 06/09/2020

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Institutional Review Board



**VUMC Institutional Review Board
Informed Consent Document for Research**

Principal Investigator: Andrea Schmoyer **Revision Date:** 6/5/20
Study Title: Outsourcing Online Program Management: Exploring the Organizational Impact of
 Multiple OPM Partnerships and Planning for the Future at a Private University
Institution/Hospital: Vanderbilt University

Expected costs:

There are no costs associated with this study.

Description of the discomforts, inconveniences, and/or risks that can be reasonably expected as a result of participation in this study:

There are no serious risks associated with your participation in this study. The primary inconvenience is the request of your time to be interviewed. Given that the nature of the interview involves how your university engages with partner organizations, this may pose a small risk to employment. I will also ask your permission to record the interview so that I can ensure I capture your responses accurately. Any references to your responses in the study will use a pseudonym in order to maintain anonymity.

Good effects that might result from this study:

a) The benefits to science and humankind that might result from this study.

At this point there has been very little empirical research into the relationship between higher education institutions and the Online Program Management (OPM) companies with which they partner. As such, you have the opportunity to participate in research that may contribute to a better understanding of this relationship, which may lead to improved effectiveness.

b) The benefits you might get from being in this study.

While there is no guarantee that individuals will benefit from this study, findings may lead to recommendations that can improve the relationship your university has with OPM companies and potentially, your work as it intersects with their responsibilities.

Compensation:

There is no compensation for participating in the study.

Study Results:

The full publication of this study will be added to the Electronic Theses and Dissertation repository. This repository is a joint project of the Graduate School, Peabody College, and the Jean and Alexander Heard Libraries. The author of the study is Andrea Schmoyer.

Circumstances under which the Principal Investigator may withdraw you from study participation:

You may be withdrawn from this study for lack of participation.

What happens if you choose to withdraw from study participation?

If you choose to withdraw after your participation has begun, no further questions will be asked.

Contact Information. If you should have any questions about this research study or possibly injury, please feel free to contact **Andrea Schmoyer** at 773.895.6758 or my Faculty Advisor, **Chris Quinn Trank** at (615) 875-9196.

For additional information about giving consent or your rights as a participant in this study, to discuss problems, concerns, and questions, or to offer input, please feel free to contact the Institutional Review Board Office at (615) 322-2918 or toll free at (866) 224-8273.

Date of IRB Approval: 06/09/2020

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Institutional Review Board



**VUMC Institutional Review Board
Informed Consent Document for Research**

Principal Investigator: Andrea Schmoyer

Revision Date: 6/5/20

Study Title: Outsourcing Online Program Management: Exploring the Organizational Impact of Multiple OPM Partnerships and Planning for the Future at a Private University

Institution/Hospital: Vanderbilt University

Confidentiality:

All efforts, within reason, will be made to keep your personal information in your research record confidential but total confidentiality cannot be guaranteed. All data, including any documents received and interview recordings, will be kept on a secure, encrypted server and only study personnel will have access to this information. Electronic files will be transcribed and deidentified. All interview participants will be assigned a unique identification code to be used during data analysis. Only key study personnel will have access to the coding system.

Privacy:

All efforts, within reason, will be made to keep your personal information in your research record confidential but total confidentiality cannot be guaranteed. Your information may be shared with Vanderbilt or the government, such as the Vanderbilt University Institutional Review Board or the Federal Government Office for Human Research Protections, if you or someone else is in danger or if we are required to do so by law.

STATEMENT BY PERSON AGREEING TO PARTICIPATE IN THIS STUDY

I have read this informed consent document and the material contained in it has been explained to me verbally. All my questions have been answered, and I freely and voluntarily choose to participate.

Date

Signature of patient/volunteer

Consent obtained by:

Date

Signature

Printed Name and Title

Date of IRB Approval: 06/09/2020

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Institutional Review Board



Appendix C

Interview Protocol



CAPSTONE INTERVIEW INSTRUMENT

INTERVIEWEE PSEUDONYM:		LOCATION:	
NOTES/INTERVIEW CONTEXT:			
DATE:	START TIME:	END TIME:	DURATION:

Participant Background

What is your role at APU?

How long have you been in your role?

What inspired you to work/attend APU?

Can you describe how your role engages with your OPM partners?

Partnership Details

Thinking back to when this partnership originated, how did APU begin to strategize moving into an OPM partnership? Who was involved in the planning process and contract negotiation? If you were involved directly, how did the conversations about developing an OPM partnership go? How did/do you feel about the decision to partner with an OPM?

Where/have there been other options considered in the delivery of your online programs? (ie, other companies, offering in-house)

In your knowledge, has the contract with your OPM come up for re-negotiation? If the decision was up to you, would continue and/or negotiate any changes in the contract?



Organizational Impact

What do you feel has been the impact of the partnership on APU?

What kinds of things do you see coming in the future?

What would you change about the partnership if you could? How about how things are structured at APU? Are there changes/additions you would make in how the relationship is managed?

Mutual Dependency

How often do you engage with your OPM partner?

What portions of the online program are managed by the OPM? What is managed by APU? Are there areas in which both are involved?

How would your role change if the partnership did not exist?

Mutual Benefits

Both sides of any partnership take on some risks. What kinds of risks do you both have in this partnership? Do you think they are equal? What about benefits? What do you see as the main benefits for each partner?

Commitment

How satisfied are you with the extent to which your OPM delivers on the areas in which they are responsible? What do you think they would say about the level of commitment APU has in the partnership? Do you think both sides feel as committed to the partnership?

How well has the support offered by the OPM been outlined and communicated to those who directly engage with the partnership?



Predisposition

How do you feel about the decisions that the OPM makes related to APU? Are they well intended and consistent with APU's mission and goals?

Describe the level of assistance your OPM offers. Do you find them helpful under any and all circumstances? Are there times when you are dissatisfied with the support they offer?

How would you describe the level of sincerity your OPM has in their actions related to APU's programs?

Shared Knowledge

Do you and your OPM share knowledge about core business process? If so, how often does this occur? Do you think your partners understands your priorities and needs?

When it comes to strategic planning, are there conversations with your OPM that inform future plans at APU? How about the reverse?

Are changes in the environment shared with the OPM that impact relevant business? (ie, organizational changes, campus changes, COVID impact, etc)

Measures of Success

What metrics do you use to assess the performance of the partnership?

How have these metrics evolved over the duration of the partnership?



What were your expectations for the partnership going into it? How well have these expectations been met?

Reflections

What lessons have you learned through the engagements with your OPM partnership(s)?

What recommendations would you offer other colleges and universities looking to partner with an OPM provider?

Additional questions

Is there anything related to your engagement with your OPM partners that you would like to add?

School list	Other	Annual Report	CEO	Gender	Ethnicity	Background
University of California Riverside; University of Maryland; Wake Forest University; University of Alabama Birmingham; Ohio University; Arizona State University; University of Southern California; Norwich University; Marquette University	Subsidiary of Pearson Education; Website targets decision-makers; OPM +10% in revenue in 2019	2019 Annual Report https://www.pearson.com/content/dam/one-dot-com/one-dot-com/global/standalone/a2019/2019-ar.pdf	Rod Frislow, President Pearson UK & Global Online Learning	M	White	Under 10 years at Pearson is what is listed on his LinkedIn profile
American University; Arcadia University; Arizona State University; Baylor University; Butler; Carleton University; Case Western Reserve University; Columbia; Emerson College; Fordham University; George Washington University; Georgetown University; Harvard University; Johns Hopkins University; London School of Economics; MIT; Michigan State University; Monash University; New York University; Northwestern University; Pepperdine University; Rice; Rochester Institute of Technology; Rutgers-Simmons University; SAU; St. John Fisher College; Syracuse University; Tecnológico de Monterrey; Tufts; UCC; University of Adelaide; University of Arizona; University of Birmingham; University of California Berkeley; UC Davis; UC Irvine; UCLA; UCR; UC San Diego; University of Cambridge; University of Cape Town; UCF; UConn; University of Dayton; University of Denver; University of Kansas; University of London; University of Manchester; University of Miami; University of Minnesota; University of New Hampshire; UNC Chapel Hill; UNC Charlotte; University of Oregon; University of Oxford; U Penn; Richmond; USQ; University of Stellenbosch; University of Sydney; UT; UTSA; University of Toronto; University of Utah; Wisconsin; Vanderbilt; WashU; Yale	Acquired Trilogy in () which accounts for many of the partner schools listed.	2019 Annual Report https://investor.21com/static-files/688899db-9436-4dfe-905-c6d4d89726d5	Chip Bauck	M	White	Career in education ventures supporting aspects of education; ed tech; co-founder of 2U
Northern Illinois; Michigan State; Loyola Law School; Los Angeles; Point University; University of Bath; Underwood; University of Kentucky; University of Glasgow; Bard University	Acquired Learning House in 2018	https://wiler.economicsandcontent.s3.amazonaws.com/LiK	Todd Zipper	M	White	Former CEO of Learning House; Marketing & Media services; COO Education Connection; worked for Kaplan Inc.
Not available			Not clear, but several former founders; Randy Best is founder and chairman of the board	M	White	Entrepreneur who founded several companies
Willanova University; University of Notre Dame; Michigan State; Florida Tech; Jacksonville University; New England College; University of South Florida	Evolved from supporting distance education (correspondence) to OPM		Mike Bisk	M	White	Son of founder; held several positions at Bisk before taking over as CEO in 2016
N/A	Partnered with Concordia Portland and is suing for \$302 million due to dispute		Rob Wradel	M	White	Strategic advisor to online education and consumer start-ups; CEO of YogaWorks; CEO of AskJeans; COO Knowledge Venture
Kent State - others not clear	PE Owned (Carrick Capital Partners)		Jeff Condon	M	White	co-founder; Former CEO of Kaplan; CEO of Sorrel
	Acquired by Wiley in 2018		Todd Zipper	M	White	Part of Wiley Education Services; Army background; inspired by experience as a student in his 30's; founded synergis in 2011
La Roche College; Breneau University			Norm Allgood	M	White	
Avenel University; Concordia St. Paul; Concordia Texas; Felician University; Loyola Chicago; Madonna University; Marian University; Marquette University; Misericordia University; Northeastern University; Roseman University; St. Catherine University; UT/OU College; Xavier University	Healthcare focus		Daniel Briggs	M	White	VP National Accounts for CCS Medical; Sr. VP OPM Consulting

Company Name	Date Founded	Public/Private	Size	Services	Link	Business Model	Number of Schools	Number of Programs
All Campus	2012	Private	6.8M	Proprietary analytics; Course design; student recruitment; creative services; corporate partnerships; enrollment services; retention	https://www.allcampus.com/	Customizable services	17	
Helix Education	1989	Private		Student marketing & recruitment; course development; student support; technology (including LMS) option of using comcourse or another LMS	https://www.helixeducation.com/	flexible, performance-based contracts		
ComCourse	1994	Private			http://www.comcourse.com/index.html	bundled and integrated solutions with revenue share with quick low impact exit		
Keypath	1989	Private		Research & Program Development; Marketing; Student Recruitment; Student Support & Retention; Course Design & Development	https://keypathedu.com/	flexible contracts beyond core services	24	90+
CEIS Digital	2016? (Cambridge Education Group 1982)	Private (part of Cambridge Education Group)	?	Online course development, e-tutoring, LMS, administrative support, sales including international agents, admission and enrollment services	https://www.ceisdigital.co.uk/	Not clear	Not clear - UK based	?
Capital Education	2010	Private	Remote 10-15 employees total	Strategy development, Academic Services, Promotion, Enrollment Consulting, Business Operations	https://capitaleducation.com/	Undergraduate and graduate programs; customized solutions	?	?
Udacity	2011	Private	174.2M	Workforce development focus; Curriculum mapping; Customer Success Manager; White-glove Onboarding; Pre-Assessments; Analytics	https://www.udacity.com/	Free courses; workforce development model - partner with corporations		
Coursera	2012	Private	\$375M		https://www.coursera.org/	Free Course worldwide; MOOC	200+	
Future Learn	2013	Private	64.6M		https://www.futurelearn.com/about/futurelearn		100+ partners worldwide	
edX MicroMasters	2012	Global Non-profit		Platform for free courses	edX.org		120+	2800+ courses
Noodle Partners	2013	Private	\$30M	Dates; Marketing & Recruitment; Instructional Design & Faculty Support; Student Experience; Instructional Design; Marketing & Recruitment; Faculty & Student Support; Online Courses	https://www.noodlepartners.com/	Fee for service - very transparent about costs & pricing; https://www.noodlepartners.com/about/economics/	20+	
Idesign	2013	Private		custom services; marketing; learning technology; data analytics	http://designeduor/	"mission-compatible" services; unbundled services	?	?
Extension Engine	2003	Private			https://extensionengine.com/	Fee for service; No long term contracts; customizable services; consulting for those wishing to build capabilities in house		

School List	Other	Annual Report	CEO	Gender	Ethnicity	Background
University of Southern California; George Washington University; University of Florida; Purdue University; University of Arizona; Boston University; Michigan State University of Utah; Teachers College Columbia University; Lynn University; Middle Tennessee State University; Pace University; University of Delaware; DePaul University; Adelphi University; UNOH; Brandeis University			Joe Diamond	M	White	Alloy Media & Marketing which worked with Private Colleges and Universities on growth. Ultimately became AllCampus
Brenau University; Abilene Christian University; Huston-Tillotson University			Matthew Schritman	M	White	Education technology; PWC management consulting
Aston University; Baylor University; Carson-Newman University; Central Christian College; Deakin University; ECU University; University of Exeter; Florida State University; James Cook University; Kettering University; Laurier; Michigan Technological University; University of Redlands; RWIT; Southern Cross University; Australia; Spring Arbor University; St. Bonaventure University; Suffolk University; Boston; Texas Woman's University; UNSW; Victoria University; Walsh University; UTS; Maymount University			James Crellis	M	White	Author and online training in IT
Falmouth; Queen Mary, Southampton; Hull; Cass; Portsmouth (UK based		Steve firing	M	White	Career Education Corporation & former CEO Pearson
?			Geoff Webster (Managing Director)	M	White	No experience at an institution. 10 Years in strategic development, marketing and partnerships for the education industry. With CEG since 2016
			Not listed. Tammy Shelton, VP of Business Development is the only individual listed under leadership	F	White	VP Remote Operations Concordia Texas; Southern Careers Institute; Auslin Business College
			Gabe Dalporto	M	White	CMO & CFO at Lending Tree. BA & MS in Nuclear Engineering
Illinois; Duke; Stanford; Penn; Imperial College London and more	Co founded by Daphne Koller & Andrew Ng- Science/ AI backgrounds		Jeff Maggioncalda	M	White	Joined in 2017. 17 years as founding CEO of Financial Engines
	London based		Simon Nelson	M	White	Digital advisor and media (BBDO) CEO since 2012
MIT; Harvard; Berkeley; UT system, and many, many more	Founded by Harvard & MIT		Anant Agarwal & Adam Medros	M	Asian/White	Computer Science; Trip Advisor (Medros)
American University; Boston College; Harvard; Howard University; University of Michigan Ross & School of Nursing; Mills; NYU Wagner; SMU Cox; Pitt; Tufts; Tulane; University of Tennessee; University of Tulsa; University of Virginia; VCU; Wake Forest; University of Washington; Carleton Law; Katz;	Cost tool		John Katzman	M	White	Former CEO of ZU; Princeton Review
University of Pittsburgh; Katz; Schreiner University; USC Marshall; southern Methodist University; Middlebury College;			Paxon Ritter	M	White	Sr. VP @ Academic Partnerships
Notre Dame; Harvard; Penn; ArtCenter; Moravian College			No CEO - VCRun? Partner is Furqan Nazari	M	Asian	Founder of Privat Inc - VC backed

Company Name	Date Founded	Public/Private	Size	Services	Link	Business Model	Number of Schools	Number of Programs
Unicon	1999	Private		Education technology strategy & analysis; student success course development	https://www.unicon.net/			
Emerge Education	2014	Private		Market research; lead generation; student recruitment; student success consulting	https://emergeeducation.com/	Offer both tuition share contracts and select services fee for service	?	?
Online Education Services (OES)	2011	Private		End-to-end online program management; Learning design	https://www.oes.edu.au/	Not clear but website advertises tailored options	Many in Australia, UK New Zealand	?

School list	Other	Annual Report	CEO	Gender	Ethnicity	Background
Arizona State University California State Polytechnic University, Pomona Columbia University Georgia Institute of Technology North Carolina State University Oakland University Stanford University Texas A&M University University of California, San Diego University of Edinburgh University of Notre Dame University of Wisconsin, Madison California Community college colleges System Boston College Brooklyn College - CUNY California College of the Arts College of Lake County Foothill - DeAnza Community College District Merritt College Orinda Community College Portland Community College Sinclair Community College Tacoma Community College	Also work with 2U on edtech & Wiley & Pearson on publishing		John C Blakely (Former - still listed as current on website)	M	White?	Union most of career; prior a systems engineer with Arizona State
Concordia Chicago San Diego Christian Montclair State Oakland City University New England Culinary			James Hunter	M	White	20+ years in higher education administration and consulting. Has been the CEO since the company launched. Corporate background. Company touts a wealth of academic experience throughout the company and highlights an academic team.
Global presence			Dence Pitt	F	White	