EDEN Conference
Helsinki 2005

Why e-learning has failed -
and why it will succeed

Crashed and burned

Late 1990’s: e-learning frenzy
e-learning for profit; global markets
Merrill Lynch: Moe and Blodgett
Cisco CEO: ‘e-learning next killer application’

overview

• e-learning projects that crashed and burned: why did they fail?
• slow adoption of e-learning in distance education
• key problems with e-learning
• cost-effectiveness of e-learning
• need for strategic use and focus
• why it will succeed

Crashed and burned

• for-profit spin-off degree programs:
  New York University Online, Temple, E-
  Cornell, Open University of United States
• for-profit consortia: Cardean, Fathom,
  Global University Alliance, Universitas21
• UK e-university
  US$20 million lost on average; $100
  million by UK e-University
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Why did they fail?

ethical and credibility issues
e.g. Universitas 21 Global
- degree transcripts have logos of all 19 universities
- Thomson chooses authors
- self-accreditation (U21 Pedagogica)
- U21 Global degree not recognized by member institutions

Why did they fail?

- bad business plans: KPMG, PriceWaterhouse
- over-estimated market for non-credit
- under-estimated costs: product not process; mass production model; learner support under-estimated
- ignored expertise of ‘traditional’ DE
- ‘quarantined’ tenured faculty

E-learning and distance education:
public sector (2003)

Public sector
Print + broadcasting: 5.0 million
Fully online: 0.6 million
Total: 5.6 million
E-learners on campus: 3-4 million
Private e-learners: 3.4 million
Private distance 4.0 million

Slow public sector development

10 years since first web-based courses but:
- 12 per cent of DE fully online; most ‘web-supplemented’
- only one public university fully online
- UK Open University: 2003, 17 courses out of 500 fully online
- >70% of all fully online courses in private sector
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### Why so slow?

(in increasing order of importance)
1. Access
2. Need to change pedagogy
3. Lack of specialists
4. Lower economies of scale
5. Lack of business planning/CBA
6. Inventory
7. Leadership + institutional inertia

### Consequences

- some conventional universities have moved faster
- e-learning seen as different from DE; DE a sub-set of e-learning
- e-learning about competitiveness and profit, not access
- govts. see DTUs as obsolete

### Problems with e-learning

- access IS still an issue in many countries/for some target groups;
- economies of scale still important
- quality is an issue; can learn from DE
- e-learning requires major structural changes in conventional universities
- DE students have special needs not well served by campus institutions
- technology constantly changing

### Concerns about cost-effectiveness

(from Bates, 2005)

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<thead>
<tr>
<th>No. of students per course per year</th>
<th>Cost per student study hour</th>
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<td>$20</td>
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<td>125</td>
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TV  Radio  Print  Online
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Costs of print vs online

- OU print
- DM print
- Online

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<tr>
<td>30 125 625 1250 3000</td>
<td>$2.0 $4.0 $6.0 $8.0 $10.0</td>
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For 3,000
OU print: $2.18
DM print: $1.37
Online: $0.65
Difference over 5 years: $750,000

Economics of technology-based teaching

- Instructor/student: 1:30
- Cost per student
- Face-to-face
- Web supplemented
- Mixed mode
- Fully online
- Print

No. of students per course (over 5 years)

Why e-learning will succeed:
it can meet the needs of a knowledge-based society

Knowledge-based society: work and life dependent on information and knowledge, e.g. financial services, computing, entertainment, health, education

- industries dependent on finding, analyzing, applying information
- knowledge-base constantly changing
- workers need to be lifelong learners

Advantages of e-learning

- new teaching methods: from information transmission to knowledge construction
  Creative thinking, critical thinking, problem-solving, collaborative learning, information management
- resulting in learning how to learn (after university)
- but not always used this way
Selective use of e-learning

Two key parameters:
Learners:
- novice vs experienced
- dependent vs independent
- full-time vs part-time
- motivation
Skills/competencies:
- psycho-motor vs cognitive
- what else? we don’t know

Importance of distance education and e-learning for lifelong learners

- lifelong learners need delivery to work or home
- Internet provides access to new knowledge and research
- already have ‘hands-on’ skills from campus experience
- community of practice: lifelong learners have specialist knowledge

Lifelong learners have different needs

- delivery to work or home
- just-in-time
- small ‘chunks’ but leading to credentials (degrees/diplomas)
- latest knowledge but adapted to the learner’s context
- sharing/testing knowledge with peers

why conventional universities need to pay attention to lifelong learning

- universities overwhelmed by high school entrants; don’t want more students
- new funding model needed for lifelong learners: Self-financed programs hiring new research professors
- lifelong learners previously subsidized, earning good money, able and willing to pay full cost
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**e-Learning can be profitable**

Profit in niche markets, e.g.
University of Phoenix Online: 26,000 students, vocational
Corporate e-learning: e.g. SkillSoft: $250 million per annum
MBAs (Queens, Athabasca)
UBC Master in Educational Technology
UOC Master in e-Learning
but who pays for under-educated?

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**Conclusions**

- e-learning must be used strategically
- lifelong learners major new market essential for economic development
- major changes needed in both conventional and distance institutions
- but e-learning will succeed because it develops skills needed in knowledge-based societies

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**References**

Peters, O. 2003 *Distance Education in Transition* Oldenburg: Univ. of Oldenburg

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**What is e-learning?**

- fully e-learning
- mixed mode (less face-to-face + e-learning)
- distance education
- laptop programs
- face-to-face aids
- blended learning
- distributed learning
- no e-learning

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Choosing technology: ACTIONS model

Access
Cost
Teaching requirements
Interaction
Organization
Novelty
Speed

Changing technologies

1. re-usable content (learning objects)
2. social software (wikis, blogs)
3. e-portfolios
4. synchronous: web conferencing
5. student tools to create/manage own web work
difficult to build stable, quality controlled, ‘managed’ systems

Advantages of e-learning

- direct interaction between teacher and learner
- faster feedback
- skills/competencies needed in a knowledge-based society: information management; knowledge construction; independent learning
- economies of scope