Addressing the myths and realities of going online

As a President in higher education, you make strategic decisions intended to position your institution for maximum success with minimum cost and risk. Understanding the realities of going online will help you ask the right questions to create a legacy of success on all the metrics you care about.

**Myth:** We’ll grow revenue more and scale more successfully if our institution runs online programs internally instead of partnering with an Online Program Management (OPM) provider. We’ve developed most of the skills we’ll need, or we can hire vendors to supplement the rest.

**Reality:** Institutions should consider upside opportunity, coordination, and downside risk.

**Upside opportunities** — In 2017, leading independent researcher Eduventures reported that “On average, schools partnering with traditional, end-to-end OPMs have outperformed their peers in increasing enrollment.” There are many reasons for Eduventures’ finding. We believe three are especially important.

First, success requires integrating widely diverse skill sets, ranging from specialized market research to digital marketing, recruitment, course development, and student support to improve retention. Relatively few institutions possess all these capabilities in-house; the few that do tend to be among the largest and most nationally prominent.

Second, the functions associated with a successful online program must collaborate in sophisticated ways. When institutions seek to complement internal resources with point solutions from multiple vendors, they often encounter coordination problems and finger pointing that compromises their results. For instance, marketers may blame recruiters for failing to convert leads, as recruiters blame marketers for providing prospective students who could never realistically enroll. An experienced OPM company provides and coordinates all these key functions on the institution’s behalf.

Third, institutions that can manage one online program internally often find it difficult to scale internal resources as their online presence grows — and programs often must grow to capture economies of scale. It’s one thing to build and manage five courses, another to operate 100.

**Downside risk** — Today, launching a meaningful online presence usually requires seven-figure start-up capital and large ongoing investments. Institutions that partner with an OPM company can offload much of that risk, because these companies make sizable upfront investments for a share of downstream tuition. If a program doesn’t meet its enrollment targets, the partner loses its investment. Conversely, if the institution itself advances millions of dollars, it bears the loss alone.
Let's talk about it

Today's increasingly competitive landscape requires a strategic approach to successfully reach more of the right students where they are. Partnering with Pearson can help you accelerate strategic change while reducing the risks associated with growing your online presence. Our online program management services and community can help your students thrive as you build the brand and reputation you're striving for.

For more information, visit pearson.com/opm