### SPECIAL FEATURE ON COMMODITIZATION AND COMPETITION

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## Change is Optional, Survival is Not Guaranteed

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"Then globalization and the Internet changed everything. Customers suddenly had real choices, access to instant reliable information and the ability to communicate with each other. Power in the marketplace shifted from seller to buyer. Customers started insisting on 'better, cheaper, quicker and smaller,' along with 'more convenient, reliable and personalized.' Continuous, even transformational, innovation have become requirements for survival." (Steve Denning [1])

## When the Internet gets a hold of an industry, it leaves massive change in its wake

Higher education is at bat. The Internet is pitching. How will we do?

Consider the industries and the (relatively speaking) nascent companies that are now modern-day powerhouses; consider also those companies that failed to change, adapt and reinvent themselves (Figure 1)

#### Lessons to be learned:

What can the higher education industry learn from these disappearing and/or failed industries?

Several ideas come to mind:



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As higher education becomes increasingly expensive for students and as low-cost technology-enhanced substitutes continue entering the marketplace, higher education institutions will need to adapt past the status quo to survive and succeed.

1. Change is not optional (unless an organization doesn't want to survive)

Those of us working within higher education can either ride the Internet wave or get crushed by it (bearing in mind that technology can be highly disruptive). At the risk of using phrases and metaphors that sound too much like clichés, these perspectives pack some serious power — minimize them at your

organization's peril. We can either lead/innovate or we can pursue the status quo. If we chose the latter approach, it's likely our organizations could be a shadow of what they once were.

2. Strategic thinking is critical here

Some questions to consider:

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# The evolution

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- How will your organization keep from becoming a commodity?
- What does or will your college or university bring to the table that others aren't able to (or at least to the degree that your organization does)?
- How are you going to differentiate your services and offerings?
   Price? Delivery methods? Pedagogies used? Ability to place graduates in jobs? Or something else,

such as being faith-based or having a different worldview?

- What scenarios do you see coming down the pike that could affect your organization?
- Are you missing some new streams of revenue? If so, where?
- 3. Cultivate a culture of innovation

For example, have several strategic thinkers on campus join the World Future Society and become knowledgeable in pulse-checking a variety of forces that will affect higher education in the future. Develop some futurists within your organization and start offering more courses and programs in futurism as well as in entrepreneurship.

The bottom line for those of us working within higher education is that people will find a way to make a living. If the current higher education institutions cannot or do not

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Industry	Modern-day powerhouses	Companies that failed to adapt/reinvent themselves
Music and video distribution	Apple Netflix	Blockbuster (Chapter XI)
Bookstores	Amazon.com	Borders (Chapter XI)
Journalism	Numerous Internet-based resources (Including individuals, not just larger companies.)	Traditional newspapers
Travel / Hotels	Travelocity.com Expedia.com Hotwire.com Hotels.com Orbitz.com	A variety of companies that lost business to the relevant dot coms
Film	A variety of hardware and software vendors in the digital photography space, including Apple, Adobe, Canon, Nikon and others.	Kodak (Chapter XI)
The typed word	A variety of software vendors, including Apple, Google and Microsoft, who created powerful word processing applications.	Typewriter manufacturer Smith Corona (Chapter XI)

Figure 1

## The evolution

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respond significantly enough, they will become like the rock around which water flows.

#### **Evolving Student Needs:**

In the future, higher education institutions will likely need to provide products and services that:

- Are personalized and customizable
- More convenient
- Offer more choice and turn more control over to the learner
- Ensure reliable content delivery (and as close to 24 x 7 x 365 as possible)
- Generate up-to-date streams of content
- Offer communities of learners or communities of practice
- Use technologies strategically and, as a result, lower the cost of obtaining a degree
- Provide relevant, real-world practice, mentoring, coaching and opportunities

### Closing Thoughts: The Need to Rise Above the Status Quo

Ultimately, the heat in the kitchen increases when the price of a degree that used to be \$5,000 per year now costs \$35,000 to \$65,000+ per year. Different expectations and dynamics start coming into play; more questions begin to surface, such as:

- How will this class/degree help me get a job?
- How is this paper relevant to my future career?
- Will this project help me in getting the gorilla of debt off my back?
   If so, how?

So change is necessary. But where is the innovation and leadership from within the institutions of traditional higher education? It should bother us that the founders of Udacity and Coursera essentially had to go outside the current system in order to introduce something really new and innovative.

Those of us working within higher education need to double or triple our efforts to reinvent higher education – and to realize that there is danger in the status quo. The fight to not become a commodity has begun and alternatives are already underway; Degreed's mission to 'jailbreak' post-secondary degrees, for example.[2]

If we don't make these efforts to reinvent ourselves and our institutions, the conversation will continue to move outside traditional institutions of higher education. Like water going around a rock in a quickly flowing stream, people will find a way to make a living.

### References

[1] Steve Denning, "The Management Revolution That's Already Happening," Forbes Magazine, May 30, 2013. Accessed at http://www.forbes.com/sites/stevedenning/2013/05/30/the-management-revolution-thats-already-happening/.

[2] Rip Empson, "Degreed Wants To Jailbreak The College Degree," TechCrunch, November 18, 2012. Accessed at http://techcrunch.com/2012/11/18/degreed-wants-to-jailbreak-the-college-degree/.



### **AUTHOR PROFILE**

#### **Current Position and Past Experience**

Daniel Christian has been the Senior Instructional Designer at Calvin College since 2011. From 2007-2011, he was a Multimedia Specialist at the same institution. Prior to this, from 2001-2007, Christian was a Technical and Academic Specialist at Davenport University.

Before moving into the higher education sector, Christian was an Intranet Developer for Fifth Third Bank (formerly known as Old Kent Bank). He was also a Web Developer with Wells Fargo and a Business Consultant for Kraft Foods from 1990-1997. As such, Christian combines a solid background of working within Fortune 500 companies with over a decade of working within the changing world of higher education.

#### **Education, Honors and Achievements**

Christian earned his BS in Economics from Northwestern University in 1986. In 1991 Christian returned to the Northwestern University School of Continuing Studies to complete an 18-Hour Computer Studies Certificate. Christian earned another certificate, this one for Web Design and Production, from San Francisco State University in 1998.

In 2011, Christian earned his Masters of Science in Instructional Design for Online Learning from Capella University.