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## Enterprise Model

**Patrick R. Lowenthal\***  
*Regis University, USA*

**John W. White**  
*Regis University, USA*

### INTRODUCTION

Institutions of higher education find themselves in precarious times. First, they are being expected to do more with less; most public colleges and universities are finding their budgets cut each year (Krupnick, 2008; Lyndsey, 2007; Will, 2003). As a result, many universities are attempting to save money by increasingly relying on adjunct faculty to teach courses (Finder, 2007). Second, technological change has forced colleges and universities to change the way they do business; specifically, to remain competitive and meet market demands, colleges and universities are offering more courses online each year. In the fall of 2005, an estimated 3.2 million students took at least one online course—800,000 more than during the previous year (Allen & Seaman, 2006). Enrollments are increasing by an estimated 33% per year (Tallent-Runnels et al., 2006). Third, in the age of standards and accountability, colleges and universities must account for student learning in ways like never before (Lederman, 2007). As a result of changes like these, colleges and universities are experimenting with types of organizational and administrative structures and business models that differ significantly from those used in the past. One such model, called the *Enterprise Model*, is described in this paper.

### BACKGROUND

The first online courses were designed, developed, and offered by regular full-time university faculty interested in exploring this new medium (Oblinger & Hawkins, 2006). Early attempts at online teaching were simply adaptations of classroom-based courses. Many colleges and universities still rely on this faculty-driven model, which Bates (1997) has characterized as the “Lone Ranger and Tonto” approach because of its heavy reliance on individual—lone ranger type—faculty. However, as the demand for entire academic programs offered online has increased—coupled with continued technological innovation—many institutions are realizing that the development and delivery of online education is an increasingly complicated process, requiring both a specialized pedagogy and a technological expertise possessed by few faculty (Lynch, 2005; Oblinger & Hawkins, 2006).

As online education has moved from the fringes to become an integral part of most colleges and universities' long-term plans (Allen & Seaman, 2006), colleges and universities are adopting new ways to design, develop, offer, and manage online programs. One of these models is a collaborative but yet highly centralized approach often referred to as the enterprise model.

## MAIN FOCUS: ENTERPRISE MODEL

Simply put, an enterprise model is a centralized and standardized approach to the design, development, and management of educational programs. An enterprise model can be adopted in varying degrees for either ground-based and/or online programs. The focus of this article, though, is primarily on describing the distinctive features and characteristics of the more common approach of using an enterprise model for online programs.

An enterprise model is difficult to describe for four main reasons. First, different colleges and universities adopt certain aspects of an enterprise model and not others. Second, some refer to their approach as an enterprise model—e.g., Regis University (Online Consortium of Independent Colleges and Universities, n.d.)—while others have characterized their approach more as a collaborative or entrepreneurial (Bishop, 2005; Knowles & Kalata, 2007). Third, an enterprise model approach to online education has its roots in for-profit education which, for proprietary reasons, tends not to share its operating procedures. Fourth, and finally, until recently, academics and administrators—generally speaking—have not written about administrative and management approaches to online education. Therefore, while an enterprise model is greater than the sum of its parts, its distinctive features and characteristics—which are addressed below—are perhaps best understood as lying on a continuum (see Figure 1).

*Figure 1 A Continuum of Distinctive Features of an Enterprise Model*



## Brief History of Enterprise Models

Colleges and universities—like Regis University's College for Professional Studies (a college dedicated to offering accelerated programs for working adults)—have been using an enterprise model approach to education for decades. In fact, the enterprise model used at Regis University has its roots in a similar centralized / standardized approach of offering standardized accelerated classroom-based courses (see Lange, 2006) that traces back to early pioneers in adult learning such as the Institute for Professional Development and the University of Phoenix (Charlier, 1991; Murphy, 1991). While the early and primarily for-profit pioneers were attracted to enterprise models of course development (whether for classroom-based or online courses) for

entrepreneurial and business reasons, we highlight in the following pages that, with the exponential rise of online education, there are pedagogically significant reasons to utilize some—if not all—features of an enterprise model.

## **Characteristics of an Enterprise Model**

The enterprise model is identifiable by a few key characteristics: Centralized administration and oversight, collaborative course design, courses standardized across sections and instructors, and faculty assessment and training in methods appropriate to online environments (Hencmann, 2004; Parscal & Florence, 2004). We elaborate on a number of these characteristics in the following sections.

### ***Centralized Administration & Oversight***

Perhaps the most defining characteristic of an enterprise model is its centralized approach. Paolucci and Gambescia (2007) identified six general administrative structures that universities are using to offer online degree programs: (a) academic department, (b) continuing education / professional studies unit, (c) distance education unit, (c) consortium, (d) alliance, and (e) outsource. Theoretically, any of these six administrative structures could utilize an enterprise model, centralized approach, for managing their online education programs; however, in practice, in part due to cost and institutional culture, features of enterprise models tend to be utilized many by schools, colleges, and universities that have centralized distance education units.

Among other things, a centralized administrative-organizational structure enables greater university oversight and control over online programs. Administrators, in particular, find this helpful for two reasons. First, developing online courses and programs can be costly; they have been estimated to cost anywhere from \$10,000 - \$60,000 per course (Schiffman, 2005). Centralized control can help limit what programs are offered online. For instance, the University of Maryland University College (UMUC) requires approval of a business plan before any new program is offered online (Bishop, 2005). Second, centralized control can help ensure and maintain a high level of quality. For instance, Park University systematically evaluates each online course using the Quality Matters rubric (Knowles & Kalata, 2007).

### ***Collaborative Course Design***

A second characteristic of an enterprise model is the reliance on a collaborative online course design process. The centralized nature of an enterprise model enables schools, colleges, and universities to pair faculty and instructional designers together to design courses. This approach leverages the unique skills of faculty (who are experts in their field) with instructional designers (who are experts in the delivery of information via the internet) (Knowles & Kalata, 2007; Oblinger & Hawkins, 2006). Thus, faculty can focus their efforts primarily on serving as subject matter experts while instructional designers can focus on ways of designing instruction to meet the needs of the course and its instructor. Perhaps even more unique to an enterprise model is the utilization of a team of other experts in the course design process (e.g., web developers, graphic

artists, video experts, library faculty and staff, and service learning staff) (see Hencmann, 2004, 2007).

### ***Standardized Course Design***

A third characteristic of an enterprise model is the standardization of online courses. This is most notably recognizable in the standardization of the “look and feel” of an online course (which is usually accomplished by using a standard course management system as well as a standard style sheet/web page template and a master course that is then sectioned). The benefit of this is that once a student learns the layout of the first course in a given program, he or she will be able to navigate and identify all important features and locations for all future courses in a given program. Further, various faculty—and especially adjunct faculty—benefit from a standardized look and feel when, for the first time, they find themselves teaching a course designed by other people (a common practice in schools, colleges, and universities that utilize an enterprise model). Another benefit of standardizing course design, though less transparent, is the ability to identify and maintain specific strategies, standards, expectations, and/or learning outcomes throughout an entire online program.

### ***Faculty Assessment & Training***

Finally, one last characteristic of an enterprise model is the emphasis and insistence on faculty training and development in the online teaching process. While good teaching is good teaching, researchers and practitioners alike have shown that teaching online is different than teaching in a face-to-face environment (Ragan, 1999). Because schools, colleges, and universities utilizing an enterprise model tend to rely more on adjunct faculty—for practical expertise and for financial economy—there tends to be a heavy emphasis on assessing and qualifying all faculty who wish to teach online. For instance, in the College for Professional Studies at Regis University, faculty must—prior to teaching online—take part in a three week assessment and training process online followed by an internship/mentoring process (Parscal & Florence, 2004).

### **Additional Strengths and Weaknesses of the Enterprise Model**

Depending on one’s perspective, the benefits of the enterprise model are mixed. One of the strengths of an enterprise model approach—and its inherent characteristics—relates to economies of scale and return online investment (ROI). A lone ranger approach—unlike the enterprise model—is unable to efficiently develop and offer an online program to an unlimited number of students. Creating one strong and popular course (not to mention entire programs) has almost unlimited potential for attracting an ever-growing audience with little extra capital expenditures. Arguably the most important strength of the enterprise model is that it increases the odds of offering higher quality online courses. That is, most individual faculty do not have the skills and abilities to offer the same quality of rich, media enhanced, pedagogically sound online courses that a distance education unit using an enterprise model could.

Despite its many strengths, an enterprise model also has some significant weaknesses. First, while many faculty consider it beneficial to have an online course already designed and developed (thus reducing faculty workload), some institutions utilizing an enterprise model restrict authoring access completely—thus eliminating a faculty member’s ability to change anything in a course. Therefore, an enterprise model, because of its focus on centralized control,

often negates the ability of individual faculty to create and conduct courses in the manner they find most suitable. The ability of faculty to put their own ‘spin’ on the courses they teach is hampered. Thus, the enterprise model is sometimes critiqued for disallowing adjustments to the curricula and individual faculty inputs. Second, because it often takes four to six months to develop a course online in a centralized enterprise model, institutions and instructors are less able to respond quickly and effectively to changes in the market or in a particular field of study. Similarly, because of the costs of developing new courses or changing/updating older courses, online courses in an enterprise model may be more prone to stagnation. Finally, the enterprise model can potentially lead to institutions over-emphasizing economy of scale rather than quality of instruction. Institutions of higher education must be careful not to adopt an enterprise model for the wrong reasons. While institutions of higher education can perhaps benefit from the entrepreneurial spirit, an over-emphasis on the business of education can lead institutions to focus too much on money, marketing, and competition and not enough on student learning (Lynch, 2005).

## **FUTURE TRENDS**

A few future trends can be identified based on changes in the academy during the past few years. First, colleges and universities—public and private—are increasingly putting courses and entire programs online. Such an increase in online competition is going to force schools, colleges, and universities to rethink what and how they offer online courses and programs. Second, even as institutional budgets are cut, the cost to develop courses online is likely to increase. Technological innovation (e.g., virtual learning environments), coupled with an increase in technologically savvy digital natives attending colleges and universities, will likely increase the costs to offer programs online. Therefore, colleges and universities need to think carefully before they investigate thousands of dollars in online education. Third, more and more institutions of higher education are moving from a department administrative structure to a distance education unit administrative structure to offer programs online (Paolucci & Gambesica, 2007). Over time, due to the previously mentioned trends and the call for increased accountability, it is likely that more institutions will turn to an enterprise-like model.

## **CONCLUSION**

Institutions of higher education have been confronted with a technological revolution. Increasingly, students are choosing to take individual courses and entire programs online. With this increased demand, schools, colleges, and universities are searching for new administrative structures to offer courses and programs online on a larger but more economic scale. Many of them are turning to an enterprise model. They must remember, though, that there are benefits (e.g., economies of scale, improving ROI, higher quality courses) and risks (e.g., lack of local control, over emphasis on money, marketing, and competition) to adopting an enterprise model.

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## **TERMS AND DEFINITIONS**

**Collaborative Course Design:** The process of pairing an instructional designer and a subject matter expert (i.e., generally a faculty member) to design online courses.

**Distance Education Unit:** A centralized unit—typically at a school, university, or college level—staffed with instructional designers and web developers to help assist faculty to develop courses and entire programs online.

**Enterprise Model:** A centralized model—more often than not used in distance education units—to design, develop, and manage entire programs online.

**Entrepreneurial Institutions:** For-profit and not-for-profit institutions of higher education that recognize the importance to be entrepreneurial when offering education online.

**Lone Ranger:** A term used to describe how faculty—whether “early adopters” or current practitioners—individually design and develop online courses own their own as they see fit.

**Standardized Course Design:** A specific strategy used to standardize the “look and feel” of an online course as well as a strategy to integrate specific elements (e.g., standards, outcomes, expectations) throughout an entire online program.