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Reinventing the Academy:  
Transforming for New Learners, Digital  
Technologies, and Student Success

# The Context



- Clay Christensen's model for disruptive innovation;
- The drive for “productivity”;
- The cost/price breakpoint;
- The higher education “system” fallacy.

# Clash of models



- The guild model – competing definitions of education, highly differentiated, lack of standards, inefficient, poorly integrated across the sector, capable of very high quality, driven by status.
- The industrial model – fueled by technology, bias towards standardization, displacement of highly trained and expensive labor, data driven, lower cost structure, driven by financial return.

# The SNHU Response



- New models at a lower cost:
  - Three-Year Program
    - 25% cost savings, higher graduation rates, competency-based
  - SNHU Advantage
    - 60% savings on the first two years
  - College Unbound
    - 25% cost savings, competency-based, new learning model.
  - Integration with two-year system and transfer credit friendly
    - Speed to completion, no “wasted” credits

# Online



- Drive growth in higher margin unit:
  - High performance marketing (call centers, lead buy, social media, talent)
  - Centralized advising (re-enrollment)
  - Data driven
  - New technology tools to support quality and operations
  - More market responsiveness, more urgency
  - Changing culture

# Results?



- COCE will grow to \$50m in FY11 with a margin of \$22m (growth rate of 35%). One thousand new students in September start alone.
- Improved retention to 66% (4<sup>th</sup> highest in benchmark group) – A Beating the Odds School.
- Allowed us to increase aid and support traditional “guild” campus while freezing tuition.

# The future?



When we have a richer, more nuanced, more reliable model for assessing competencies...

- We blow up the delivery model --  
Self-paced, open courseware, social network based, community-based, PLA and more.
- Prices plummet.
- Higher education providers no longer dominant.

# The key to transformation



“Find ways to give the child permission to kill the parent.”