INDIANA UNIVERSITY

IU Online
-
Moving Forward

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Contents

Executive Summary

This document outlines a plan for moving forward with online education at Indiana University, given the organization structure and history of online and distance initiatives within the institution.

The document provides a rationale for addressing online education from a university-level strategic perspective. The dimensions of innovation for online education at IU are outlined, as well as several priorities and key strategies for innovation. The results of a needs analysis for online education are reported. Basic organizing structures and principles to guide the development of online education at IU are presented. Finally, an overview of the organization of the IU Office of Online Education is provided.

This report is meant to be the map that lays out a plan for moving forward with online education that will turn strategy into action, in order to produce innovation in curriculum and instruction that will ultimately benefit students, faculty and staff throughout and across all campuses of Indiana University.

Moving Forward With Online Education at Indiana University

Indiana University has historically been organized academically as a loose confederation of campuses that work together based on geographic agreements known as regional service areas. By its very nature, online education is antithetical to geographic distinction, and therefore policies and procedures based on geography are irrational organizing structures for these types of programs. Over the fifteen years during which online education has become an increasingly viable alternative to on-campus instruction, a number of university-level task forces have been convened to develop plans for leveraging new technologies in a strategic manner throughout the institution. However, given IU's organization structure and that no central organization was designated with authority or responsibility to manage and monitor these plans, to date Indiana University has not implemented a university-wide strategy for online education.

In the meantime, those faculty and administrators in various academic units and at select IU campuses who saw online education as a valuable opportunity to extend programs and to reach students have moved forward on their own initiative, and now IU has more than 80 online programs, with more coming online regularly. The grassroots advancement of online education at IU has led to the development of some highly successful and highly visible programs, with examples of such being Kelley Executive Partners, the School of Nursing's university-wide RN to BSN program, the Bloomington School of Education's ConnectED programs, IU East's online bachelors' degree completion programs, and the Eppley Institute's non-credit bearing programs for the National Park Service.

From the university perspective, it is clear that while the grassroots approach has certainly advanced IU's interests in developing online education, this strategy has been less than optimal because the online programs offered by some academic units and campuses have already adversely impacted or have the potential to adversely impact other academic units and other campuses in unprecedented and serious ways. Further, from a long-term view, an approach to online education that relies solely on grassroots initiatives does not and cannot take advantage of strategic opportunities to leverage resources across all campuses, to build economies of scale between academic units, and to encourage cost savings by avoiding duplication of programs and services. In a Strategic Plan for Online Education presented to the Trustees in March 2011, School of Informatics Dean Bobby Schnabel recognized these concerns and identified the need to create an IU Office of Online Education that would have strategic oversight of IU's online education activities and serve as the "gatekeeper" for intercampus issues regarding online education.

Acting on Dean Schnabel's recommendation, President Michael McRobbie established the IU Office of Online Education (OOE) in April 2011 to provide leadership, management and coordination of online education on and across all campuses of Indiana University.
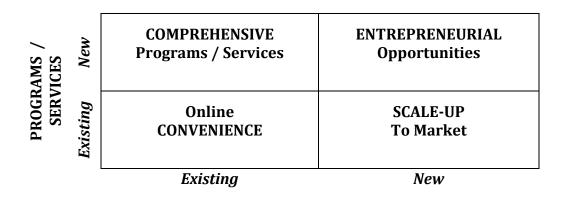
In the year since the office was established, a number of key activities have been completed to support innovation in online education at IU, including:

- A needs analysis of IU online stakeholders involving meetings and interviews with all core campus deans, regional chancellors and vice chancellors, administrators from University Information Technology Services (UITS), University Student Services and Systems (USSS), General Counsel, Finance, CTL directors, University Institutional Research and Reporting (UIRR), Registrars and others to identify a) plans for development of online courses and programs over the next 3-5 years, b) resource needs to support online education, and 3) opportunities for joint programs and joint development of online courses;
- Focus groups, interviews and surveys of faculty and administrators from BL, IUPUI, and regional campuses which identified drivers and restrainers to implementing online programs and courses;
- Review of current and historical university-level reports that include recommendations for online programs and services at IU;
- Phone interviews with administrators of online programs at CIC and other peer institutions to identify precedents for organization of online education, and which resulted in establishment of a CIC Affinity Group for Directors of Online Education, as well as guidelines and processes for use of 501(c)(3) structures for online education;
- Development of a joint report with Purdue and Ball State administrators regarding costs and fees associated with online education, which was presented to the Indiana Commission for Higher Education and led to recognition of the need for market-driven instructional fees for graduate programs;
- Research of requirements to gain approval from all 50 states to offer online programs to students resident in each state, and ongoing work with general counsel and USSS staff to create policy, prepare documents and submit applications to offer online programs from all IU campuses in every state;
- Ongoing work with USSS and UIRR to identify and assure compliance with federal, state and accreditor reporting requirements.
- Establishment of six key advisory/affinity groups to support the direction and coordination of online education at IU, with regular, ongoing meetings of each group:
  - IU Office of Online Education Advisory Group,
  - Online Student Services Advisory Group,
  - Online Oncourse Advisory Group,
  - Online Curriculum and Learning Management Advisory Group (CTL Directors),
  - Regional Collaborative for Online Education Advisory Group (Blueprint Initiative),
  - CIC Online Education Directors Affinity Group.

Dimensions of Innovation

Over the course of the 2011-12 academic year, dozens of interviews were conducted with academic administrators from all IU campuses and from all academic units at Bloomington and IUPUI in order to gather information about plans and needs related to online education. Additionally, two meetings were held during Fall 2011, one with regional campus chancellors and a second with regional vice chancellors of academic affairs, to discuss opportunities and strategies for developing joint online degree programs. The Blueprint for Student Attainment Joint Academic Programs Committee was also consulted in Spring 2012*.*

More than 70 ideas were generated as a result of these conversations. These ideas were categorized along the dimensions of programs/services and students/markets to reflect opportunities for innovation through online education as depicted in the 2x2 matrix below.

PROGRAMS / SERVICES	*New*	**COMPREHENSIVE** Programs / Services	**ENTREPRENEURIAL** Opportunities
	Existing	**Online** CONVENIENCE	**SCALE-UP** To Market
		Existing	*New*

STUDENTS / MARKETS

"Scale-Up" is the label assigned to ideas that involve providing existing programs/services to new students, while "comprehensive" is the label assigned to ideas that involve developing new programs/services for existing students. These two dimensions represent opportunities to connect existing assets of the university with new areas for growth.

"Convenience" is the label assigned to ideas that involve moving existing programs for existing students into an online format. Though this may not initially appear to be a good investment of resources, the ideas generated in this dimension may help to improve retention and completion rates, which would be beneficial to both students and the university, especially considering the shift to performance funding in Indiana.

The fourth dimension is labeled "entrepreneurial" because it represents those ideas which involve offering new programs/services to new students and markets. While these may be viewed as the most exciting opportunities for online education, they may also require the greatest investment of resources compared to other dimensions because of the costs associated with developing programs from scratch and costs associated with reaching entirely new markets to attract students.

Innovation Priorities

In addition to the ideas generated in interviews conducted with campus and academic unit administrators, ideas were also collected from the university-wide advisory/affinity groups established by the OOE during the past year, as most groups have already had their first meeting.

A small number of the many ideas put forth during interviews and meetings were repeated by multiple people, across multiple groups, across multiple academic units, and across multiple campuses. These ideas are noted as innovation priorities for online education for two reasons: 1) they address the interests of multiple stakeholders, and 2) given the wide-ranging expression of interest across IU, they require university-level initiative to address.

When viewed as dimensions of innovation, the majority of these priorities involve either scaling up existing programs to new students/markets or providing more comprehensive services to existing students. Inter-campus entrepreneurial opportunities exist primarily among the regional campuses. In the dimension labeled "convenience," the greatest opportunity is to develop gateway courses through university-wide collaboration facilitated by the OOE, in order to provide students with high-quality courses, to minimize development costs, and to establish economies of scale.

	COMPREHENSIVE Programs / Services • Faculty development • Adjunct preparation • Course-module libraries	**ENTREPRENEURIAL Opportunities** • Joint regional campus high impact/ low resource programs and courses
	Online CONVENIENCE • Gateway courses • Academic support services • Veteran services • Innovative advising	**SCALE-UP To Market** • Gateway courses • High demand / at-capacity programs • High-ranked/well-known graduate programs

PROGRAMS / SERVICES — *New* / *Existing*

Existing — *New*

STUDENTS / MARKETS

These 11 innovation priorities may also be categorized into three types of online experiences: academic programs and courses, student services, and faculty development.

Academic Programs and Courses

- **Gateway courses** – this category includes the general education courses that are most commonly taken by students across all IU campuses, courses most frequently taken by IU students at other institutions and transferred back to IU campuses, and dual-credit courses that students bring in from high school. Providing these courses online may help IU campuses in two ways: 1) to retain instructional fees from IU students who would otherwise take online courses from other institutions for reasons of calendar or convenience, and 2) to attract students who want to complete courses that are perceived to be of high quality and will easily transfer to other institutions. These courses should be developed in cross-campus collaborations, coordinated by the OOE.

- **High impact / low resource courses and programs** – Regional campuses would benefit from joint development and delivery of high impact programs and courses which they would not otherwise be able to offer due to small numbers of disciplinary faculty and/or low program enrollments on each campus. The best examples of these types of opportunities are programs and upper-level courses in STEM disciplines. Leveraging resources across all regional campuses would make available programs and upper-level courses that no campus could offer solely with its own resources or its own enrollments. The availability of such programs would produce a rising effect to lift all campuses. Development of these online experiences should be coordinated by the OOE.

- **High demand / at-capacity programs** – Programs for which there exists high student demand and for which campus resources are already at or beyond capacity should be considered priorities for development of online offerings. If such programs already exist online, resources should be invested to scale-up programs to meet demand. Examples of programs in this category are criminal justice, nursing, business administration, and forensics. These programs may be developed in cross-campus collaborations when appropriate, facilitated and coordinated by the OOE.

- **Highly ranked / highly regarded graduate programs** – IU should take advantage of the national and international reputation of its highly ranked and highly regarded graduate programs to develop online versions and to promote them nationally, and internationally when risk is minimal and conditions are favorable. Online degrees, courses and continuing education units should be developed in the disciplines of library science, human computer interaction, non-profit management, philanthropic studies, and to promote IU's two new Schools of Public Health, and Bloomington's new School of International Studies. These would be at the initiative of academic units, though there may be need for the OOE to facilitate and support aspects of their development.

Student Services

- **Academic support services** –Online services are perceived by many as being an effective and efficient means to reach at-risk populations such as first-generation, transfer, part-time, and commuting students early and often to provide them with experiences that address under-preparedness. Such services are particularly important at IU, where the majorities on all campuses except Bloomington are first-generation students. Such services could include pre-orientation guidance about how to navigate college, seminars to support transitions of transfer students, mentoring programs, refresher courses prior to placement exams, post-orientation follow-up, first-year seminars, and communications that keep students engaged in campus life. Such online services can achieve economies of scale through university-wide development and delivery, which could be coordinated by the OOE.

- **Veteran services** – The Post-9/11 GI bill has created an influx of veterans to IU campuses. Federal and state regulations require that IU provide services to our veterans even before they step on campus. There are obvious opportunities to use online education to address these requirements and meet veterans' needs. Such services should be developed university-wide, and could be coordinated by the OOE.

- **Innovative advising** – Social networking websites and programs may be more effective and efficient means to communicate with students than face-to-face meetings that require travel and scheduling. Online aspects of advising that are university-wide services may require coordination and facilitation by the OOE.

Faculty Development

- **Comprehensive faculty development** – Every IU campus currently offers some orientation for faculty about how to develop and teach online courses. Instead of wasting resources replicating different versions of the same basic course across all campuses, a more effective and efficient approach would be to pool resources to create a comprehensive and robust faculty development series that could be used on all campuses. This not only serves faculty, but ultimately benefit students who take their online courses. OOE is already working to address this priority.

- **Adjunct preparation** – Adjunct instructors who teach online are a special population because they are part-time, they may never set foot on an IU campus, they generally receive little orientation and guidance about teaching at IU, and they generally teach introductory and gateway courses taken by many at-risk students. In addition to faculty development opportunities described above, adjuncts from all campuses should be required to complete a mandatory introduction to IU that includes an overview of key policies from the Academic Handbook and from the Student Code of Conduct; explanations of resources available through UITS, the libraries, and USSS; guidance about FERPA compliance, use of cloud technologies, and software and hardware support. OOE can facilitate the development of this program, which would be an investment in quality assurance of the academic experience for many IU students.

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- **Course-module libraries** – Much media attention has recently been given to the foray of Harvard and MIT into a collaborative venture to provide free courses to any interested student, the offering of a MOOC (Massive Open Online Course) by instructors affiliated with Stanford that was accessed by more than a hundred-thousand students, and Carnegie-Mellon's development of an interactive online course in Statistics with assignments graded by computers. Less attention has been paid to the fact that Harvard and MIT do not accept their free online courses as meeting their own degree program requirements, that the success rate for passing the Stanford MOOC was less than 5 percent, or that Carnegie Mellon invested literally years and millions of dollars in the development of a single course.

  A less attention-getting but more impactful investment in online programming that would affect large number of IU students over time would be the establishment of a library of instructional modules for courses most frequently offered and commonly delivered across all IU campuses, and that could be accessed by any IU instructor. Indiana University recently collaborated on research conducted by ITHAKA Strategy + Research for the Gates Foundation and led by William G. Bowen (President-emeritus of Princeton and of the Mellon Foundation, and IUB honorary doctorate recipient) which found that faculty are much more willing to teach online courses when they are able to select and incorporate modules developed by others than when an entire course is developed by others and packaged in such a way that it cannot be customized by the instructor (such as the Carnegie Mellon Statistics course).

  In order to minimize redundancy in the development of online materials, and to establish economies of scale in the offering of online courses and programs, IU should invest in the development of a course-module library and incentivize faculty for both depositing materials into and accessing materials from such an archive. This type of investment would accrue benefits for the university in much the same way as compounding interest provides returns to those who save small amounts of money regularly and over time. OOE should coordinate, facilitate and support the development, implementation, and evaluation of an IU course-module library.

Innovation Strategies

IU has always been and will most certainly continue to be primarily a campus-based institution. Yet, online education affords opportunities for IU to more effectively address the needs of current students, to reach beyond current students to new markets, to more efficiently deliver programs and services, and to establish economies of scale that allow for the delivery of more programs and services than previously possible.

Like "on-campus education," "online education" is actually a blanket term that refers to a particular mechanism (in this case, a network of computers rather than a series of buildings) which is used to deliver a range of instructional strategies that address different needs and work differentially well for different educational purposes.

There is no one right way to deliver online education. To best take advantage of the opportunities online education affords, IU must use the full complement of strategies that are available for delivering online programs and courses, and to establish fitness of purpose by appropriately matching strategies with the priorities that are to be addressed. Innovation strategies for online education include:

- *Representative programs* – Such programs are offered by a single academic unit on a single campus with the agreement of other academic units and campuses, but could be offered by any number of academic units on any number of campuses. Currently, this is the most common strategy for offering online education at Indiana University, and has evolved as a result of first-mover advantages gained by those academic units that have taken initiative and made investments in developing online programs. This may continue to be the most common strategy used to offer online programs at IU; however, should these programs grow beyond the capacity of the single unit for delivery, there may be opportunities to establish agreements for joint-programming, faculty-sharing, or resource-contracting from other academic units or campuses as time goes on. Examples include the undergraduate degree completion programs offered at IU East, and the graduate certificate in information technology offered at IUPUI.

- *Specialized programs* –Using this strategy, a single academic unit is solely responsible for the design, development, and delivery of an online program. This strategy is particularly appropriate when an academic unit builds a program based on unique expertise, enters an agreement with a particular audience, or offers a specialized program to meet a specific need. Examples would include programs offered by the Jacobs School of Music to music educators, continuing education programs offered to librarians by the School of Library and Information Sciences, or a program developed at Kokomo to address workforce development needs of the local General Motors plant.

- ***Joint programs*** – These are collaborative programs in which faculty from multiple (but not all) campuses elect to work together to develop and deliver programs to students enrolled at participating campuses. Examples of such programs would be a bachelors program in German developed and offered by the South Bend and Southeast campuses, or courses from a collaborative of regional campus Schools of Education that teach K-12 school administrators to apply new procedures for teacher evaluation.

- ***Statewide programs*** – There are few remaining "system-wide" schools at Indiana University, so there are few obvious examples of statewide programs. The model example would be the RN-to-BSN program offered by the School of Nursing. However, there could be programs offered university-wide based on formal agreements between campuses and academic units. Statewide programs should be considered when the demand is so great that the resources of all campuses are needed to meet the full demand for a program. The programs most likely to fit in this category would be undergraduate professional degrees in highly subscribed areas such as business administration and criminal justice.

The same innovation strategies used for online programs are available for online courses. High priorities for development of online courses should include:

- ***Statewide courses*** –Gateway courses, general education courses, and dual-credit courses should be considered for development as statewide courses. The subject areas of English Composition, math, psychology, sociology, political science, world and U.S. History, biology, chemistry and economics should be given particular consideration, due to their role in general education programs on all IU campuses and resulting high enrollments.

- ***Specialized courses*** –Courses offered by faculty who have national and international reputations as teachers and researchers should be prioritized for development as online courses that could be accessed by students across all campuses of the university. One means of determining priority for such courses would be to review data about the most highly subscribed and waitlisted sections of courses. An obvious candidate for this category would be the History of Rock and Roll course offered by Glenn Gass in the School of Music on the Bloomington campus.

In this period of innovation and exploration with online education, intentionally pursuing multiple strategies for innovation is advantageous because it allows for experimentation and study of the variety of approaches used to learn how best to meet the needs of online students at IU.

Needs Analysis for Online Education at IU

In all interviews and meetings of key online education stakeholders over the past year, the question of what plans there are for online programs was tightly coupled with a question about what needs there are for support of online programs and courses.

More than 250 separate needs statements were organized into five key categories, and categories were put in order of most frequently expressed needs.

The need most often expressed was to eliminate internal competition among online programs at IU. Statements of this need took a number of forms, such as "the core campuses are hurt by price competition from the regional campuses" and "we can't afford to have our students recruited aware by another IU campus." Whatever the particulars, the simple quote, "we need an IU brand that doesn't compete with itself," best summarizes the sentiments of a large number of those in interviews and meetings.

Other needs related to branding and marketing of online programs that were expressed include mechanisms to assure quality of online programs that are consistent across all campuses, and needs for resources to help both conduct market analyses as well as to market online programs.

The second most frequently expressed need was for improved functionality of Oncourse to support online programs. There were a number of very specific requests related to Oncourse, which may generally be grouped into needs regarding support for interactions in online courses, needs for functionality to support multi-campus online programs, and needs for greater responsiveness to faculty requests for customization and updates.

The third category of needs has been categorized into the broad area of "information, communication, and education." Chief among these needs is for a transparent process with clear criteria for vetting online programs in order to resolve issues about which campuses and academic units may offer which online programs. Beyond that, this category had the widest variation of requests, though many had to do with convening groups to develop university-wide understandings and agreements about various aspects of online programs.

In the category of policies and procedures, needs were expressed for development or clarification of a number of policies to foster consistency, equivalency, and comparability of online programs across campuses. Again in this category, the need for a university-wide vetting process was expressed; in this case having to do with the development of process and criteria for approval of one campus over another for delivery of online programs. Given the number of times the need for vetting of online program proposals came up, it is clear that this is a key concern of online stakeholders across all campuses and all academic units at Indiana University.

The final category of needs has to do with incentives and funding to support the development and delivery of online education at IU. The most frequently requested incentive requested in this category was not for funding, as one might expect. Rather, the greatest need here is for a clear statement of the impact of online teaching on promotion and tenure review for tenure-track faculty. After that, several other needs were identified, some of which involved addressing salary disparities between faculty at different campuses who teach in multi-campus programs, and for media production consultants who are in high demand and leave IU to take better paying positions elsewhere. A small number of those interviewed made the important request for a rational online student fee that does not include the transportation and recreation fees associated with on-campus programs.

In summary, from a high-level view, online stakeholders have identified needs having to do with branding and marketing; technology; policies and procedures; information, communication, and education; and incentives and funding. The single greatest concern expressed across those five categories was for the elimination of competition between online programs within IU, and the solution often requested was for a robust remonstrance or vetting process that is transparent, includes clear criteria, and identifies clear authority for deciding which campus or academic unit is able to offer any particular online program. Fortunately, this request has already begun to be addressed with the development of a new electronic approval process for all academic program proposals. However, the specific issues regarding the delivery of online programs that cut across regional service areas and therefore impact all IU campuses continue to need to be addressed.

Organizing for Innovation

To begin to identify solutions that would address the needs and concerns of internal stakeholders about online education at IU, several groups were formed and a number of meetings have already been convened.

First, the OOE advisory and affinity groups have been asked directly for counsel about how to address identified needs.

Second, directors of online education at CIC and peer institutions were contacted to discuss approaches used at their institutions to address similar issues.

Third, input was gathered from university leaders during a break-out session about online education during the President's retreat in Fall 2011. Five questions were addressed by break-out groups:

- How do we reconcile mission differentiation between campuses and the offering and marketing of online programs?
- What elements of quality should be equivalent between online and on-campus programs?
- To what extent should we avoid duplication of equivalent programs? How should choices be made?
- What factors should be used to determine appropriate pricing for online programs? (Are there different price points for different online programs?)
- What support services are needed to deliver high-quality online education, and which should be delivered by campus/school, and which should be delivered centrally (i.e., by the Office of Online Education)?

Based on input from these groups, from readings of research and other related materials, the principles and strategies outlined on the following pages have been constructed to support and facilitate the development and delivery of online programs and courses across all campuses of Indiana University.

Key Operating Principles for Online Education at Indiana University

1. Online programs may not engage in price competition:
   a. with on-campus programs,
   b. between IU campuses.

2. Online programs may not be duplicated by other departments or campuses if there is no clear distinction made between programs that is obvious to students and markets.

3. All services, structures and policies that support online education should be normalized with current operations if such services, structures and policies exist for on-campus students, programs, and courses.

4. Services that are necessary to support online education across all campuses will be coordinated by the Office of Online Education to ensure consistency when beneficial to have such, to establish efficiencies where possible, and to avoid duplication of effort.

5. The Office of Online Education will work with appropriate campus representatives to develop, implement and monitor processes for review of online programs and courses, and may require changes in programs and courses based on subsequent review, for the purposes of assuring quality of online education in a manner that is consistent across all IU campuses.

Branding Strategy for IU Online Programs and Courses

The "sweet spot" in branding is considered to be where an organization's strengths intersect with unmet needs. The opportunity for developing an "IU Online" brand may most easily be found by considering IU's unique strengths and comparing those to the stated unmet needs of students in online programs.

When considering IU's strengths related to online education, several obvious areas emerge:
- Innovative information technology - as evidenced by ratings and accolades such as Wired Magazine's designation of "Most Wired Campus" several years ago;
- Commitment to innovation in teaching and learning - as evidenced by leadership in Scholarship of Teaching and Learning activities across all campuses, Bloomington's receipt of the Theodore Hesburgh award, IUPUI's leadership in the Association of American College and Universities LEAP initiative, and the FACET-run Journal of the Scholarship of Teaching and Learning.
- The promotion of student engagement - as evidenced primarily by Bloomington's housing of the National Survey for Student Engagement (NSSE), but also evidenced by awards received by several campuses for service learning initiatives and activities.

The most robust data available for exploring the unmet needs of online students come from an online survey sent to all students registered in online courses at the five IU regional campuses over a six-week period between March and April 2011. The survey was developed by students in IU South Bend Professor Michael Scheessele's INFO-I 300, Human-Computer Interaction class. More than 1000 responses were collected from students representing every regional campus. Analysis of the data indicates two very clear perceptions held by a majority of students:
1. Participation in online education requires a necessary trade-off between the convenience of not having to travel to campus, and the benefit of communicating with or participating in a community of learners.
2. Participation in online education requires a necessary trade-off between the independence of being able to study according to a student's unique schedule, and the opportunities to interact regularly and frequently with the instructor.

Matching IU's recognized strengths with the unmet needs of online students provides a brand identity for online programs and courses delivered by all IU campuses:

IU Online brings together
convenience and community
to provide students with
independence and interaction.

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Market Segmentation

The Competition

The recent exponential growth of the online market is tempered by growth in online competition. Online initiatives of Harvard, MIT, Stanford and Carnegie-Mellon have already been discussed. The University of Phoenix appeals to a wide demographic of online undergraduate and graduate students. In the State of Indiana, Purdue and Ball State have made large university-level investments in the development of online programs. Western Governor's University has established its presence as a provider of competency-based programs, primarily for adult students. Ivy Tech offers a wide variety of certificates and vocational programs online, and has signed an agreement with Pearson to develop online courses that will be offered nation-wide. Indiana is home to 31 independent colleges, some of which, such as Indiana Wesleyan, have aggressively ventured into online programming. This list does not include the hundreds of online specialty programs that have sprouted like weeds in the recent past, and can be taken by students anywhere. Walden University has had a long-standing, strong presence in Indiana, and until recently ran summer sessions on IU campuses. For-profit online provider ITT Tech, which offers numerous online programs nationally and internationally, has its corporate headquarters in Carmel, Indiana.

IU's Target Markets

Trying to reach a wide market is too broad a target for all but the largest of organizations, and overreaching has been the downfall of highly touted attempts to build online programs at such prestigious universities as Columbia, NYU, Illinois, Oxford and Yale. IU must be careful whenever we enter the competition, and we must select our opportunities wisely.

In the March 2011 strategic plan for online education, Dean Schnabel noted that IU's primary market for online education should be its natural markets including residential students, students in campus regions, Indiana citizens and professionals, as well as IU alumni. Dean Schnabel also noted that a secondary market would be in areas where IU has sufficient national and international distinction.

Horizontal Market Strategy

Market research generally assumes that best practice is to divide potential demand for offerings into manageable market niches. Small operations can then offer specialized goods and services that are attractive to a specific group of prospective buyers.

Undergraduate Education

In the March 2011 strategic plan, Dean Schnabel articulated distinct markets for undergraduate and graduate education. For undergraduate education, the goal should be to facilitate timely progress to degree and to provide convenient access, particularly for students who attend part-time or who are working adults; and to facilitate retention.

The target market described by Dean Schnabel for undergraduate degrees aligns with and much more closely reflects the demographic of the regional campuses than it does the demographics of the core campuses. The mission of the regional campuses is primarily to deliver undergraduate degrees, and targeted professional master's degree programs.

Bloomington currently offers only two online undergraduate degrees, an associates and bachelors, both in Labor Studies, which is a system program managed from the IUPUI campus.

Given its urban mission, IUPUI primarily concentrates on delivering on-campus undergraduate programs. In addition to its online bachelor of general studies degree which is a legacy of the School of Continuing Studies, IUPUI offers online baccalaureate degrees in nursing, biomedical science, and health information/medical records. Obviously, these degrees are tied to the medical and health sciences mission on that campus.

In order to establish clear market segmentation, moving forward, the regional campuses should be primarily concerned with delivering online undergraduate degree programs. The core campuses (Bloomington and IUPUI) should offer online undergraduate programs in only those areas for which they offer undergraduate degrees that are not offered by any of the regional campuses.

Graduate Education

Dean Schnabel's research indicated that the target market for graduate education should be working professionals who seek continuing education in their field, and who cannot easily get to campus.

Because the delivery of graduate programs is more fundamental to the mission of the core campuses than to the regional campuses, and the core campuses have greater numbers of faculty who teach in on-campus graduate programs, market segmentation dictates that, moving forward, the core campuses should be primarily concerned with delivering online programs at the graduate level. Indiana's workforce development needs should certainly be considered when core campus academic units develop new online graduate programs. Beyond that, programs of distinction on these campuses may and should also consider moving into national and international markets.

Moving forward, IU Online will pursue a horizontal market strategy involving:
- ***Regional campuses delivery of undergraduate education,***
- ***Core campus delivery of graduate education,***
- ***Delivery of programs of distinction to national and international markets.***

This principle of horizontal market segmentation for IU Online should go some distance in helping to alleviate concerns expressed by stakeholders of online education about branding and duplication of online programs.

Office of Online Education

Office Activities

Among other responsibilities, the duties outlined in the charter for the IU Office of Online Education include strategic oversight of IU's online education activities, coordinating with state and other entities that influence online education, and defining IU's data collection needs related to online education and assuring they are met.

In addition to the work done by OOE staff during the past year that has already been discussed in this document, a number of other important projects have been completed which should help IU to move forward with online education.

Considerations for the establishment of 501(c)(3) entities at IU

During interviews with academic administrators and meetings with advisory groups, a number of questions were raised about the possibility of establishing 501(c)(3) non-profit entities as organizations through which to offer online programs. As a result of those conversations, and based on concerns expressed about the use of such entities by staff from the Office of General Counsel and the Office of the Vice President and Chief Financial Officer, a document was developed that addresses considerations for the establishment of 501(c)(3) entities at IU . This initiative is an example of the many ways in which innovations related to online education ultimately require the development or revisiting of policies that impact the entire university and all academic operations.

State Authorization of Online Programs

Over the past several years, predatory recruiting practices of for-profit online education providers have captured the attention of the federal government, and last year, led to the development of a set of Program Integrity Rules to which all online education providers are expected to comply. One proposed rule would have required any online education provider with students who are residents of other states to demonstrate to the federal government that it received approval from those states to deliver programs to those students. Though the federal government abandoned that rule, it did put institutions on notice that they would be expected to provide evidence of state approval if requested. The OOE has taken on the particularly onerous task of documenting a complete inventory of the number of students from each state enrolled in online programs at IU, the requirements for all 50 states, and highlighting states where it will be particularly problematic for IU to achieve compliance due to high application fees, excessive paperwork, or unclear requirements. This work has taken literally hundreds of hours, and efforts to gain compliance are ongoing. Clearly, this is one activity for which a university-level Office for Online Education adds value, as it saves campuses and academic units from duplicative efforts.

Reports to Indiana Commission for Higher Education

The Indiana Commission for Higher Education has spent much of the past year actively exploring, considering and debating draft policies related to pricing of online education programs. This has been particularly concerning to Indiana's public institutions of higher education because, regardless of evidence presented by multiple sources, there continues to be the desire among commissioners that online education be less expensive than on-campus programs. In an unprecedented collaborative endeavor to advise the commission of research on costing of online programs, staff of IU's Office of Online Education worked with peers from Purdue and Ball State to develop a joint report to the commission that outlined costs and fees associated with online education as described in research and based on experiences at all three institutions. The report was partially successful in that the commission reconsidered a policy that would have required institutions to set fees for online graduate-level programs at a price lower than for on-campus graduate programs. However, the commission ultimately voted to approve such a policy for online undergraduate programs, so the approval of that policy will require ongoing monitoring and effort from the IU Office of Online Education to address.

Summary

Since its establishment in April 2011, the IU Office of Online Education has engaged in many initiatives to move online education forward at Indiana University. Many of those efforts are chronicled in this document.

As this report indicates, those efforts were just the beginning. As indicated by the innovation priorities, needs and concerns, and branding and marketing strategies outlined in this document, there is much left that can and should be done to move Indiana University forward in the arena of online education. Working from a university-level strategic perspective, we can create and implement online programs and courses, student services, and comprehensive faculty development experiences using a number of key strategies for innovation.

In order to assure the success of these initiatives, IU's Office of Online education has already begun and will continue to work to address a number of identified needs in the areas of branding and marketing; technology; policies and procedures; information, communication, and education; and incentives and funding.

This document lays out basic principles and structures of organizing online education at IU. These principles and structures serve as the map that allows IU to continue to move forward with online education so that we turn strategy into action, producing innovation in curriculum and instruction that will ultimately benefit students, faculty and staff throughout and across all campuses of Indiana University.