Online Higher Education
Benchmarking Performance- Update on the Eduventures Project

June 2012

Online Higher Education Learning Collaborative (OHE-LC)

- **Introduction**

- **Example Findings- Enrollment, Marketing, Efficiency**

- **Next Steps**

Introduction

- **<u>Origins</u>**. In May 2011, a number of members of Eduventures Online Higher Education Learning Collaborative (OHE-LC) expressed interest in performance benchmarking around online higher education. Eduventures agreed to facilitate this effort as a benefit of membership

- **<u>Goal</u>**. The goal is to improve upon the very limited performance information in the public domain, but equally keep benchmarking private to participating schools, and make anonymous individual school data

- **<u>Metrics</u>**. As a starting point, the group agreed to report to an initial list of ten performance metrics, subsequently expanded to twelve. There has been value in both trend analysis and definition refinement

- **<u>Participation</u>**. Sixteen schools have participated to date, including many of the major online players on the nonprofit side- a number we want to grow

- **<u>Focus</u>**. As agreed by the institutions initially involved, for the time being at least, participation is confined to nonprofit schools

- **<u>School Feedback</u>**. Hard work to collect some data points, but offers unprecedented insights. Desire for more schools to participate, peer comparison, and school-specific archive to facilitate internal assessment

- **<u>Today</u>**. This presentation gives selected highlights of analysis made possible by the study
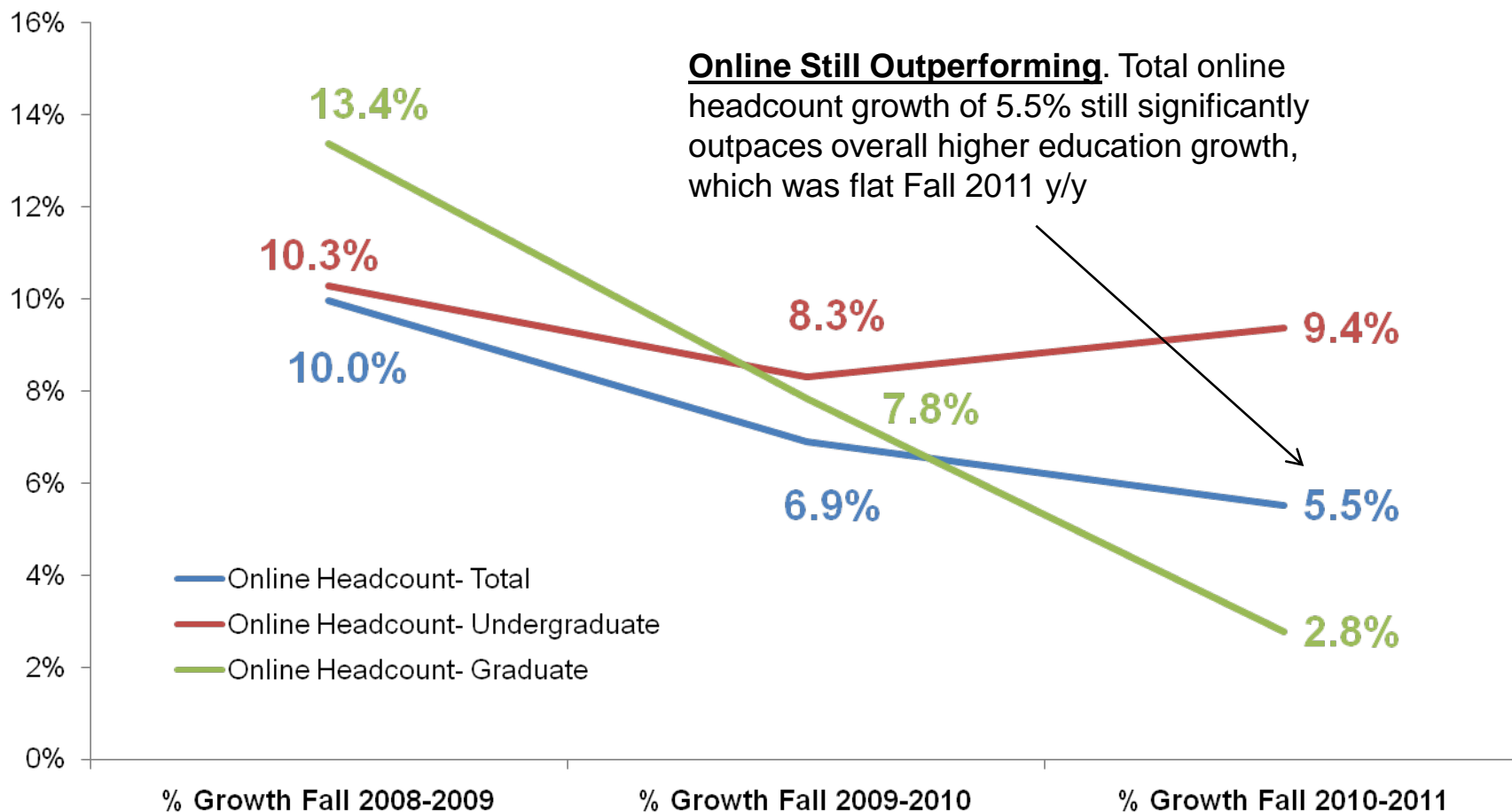
Participating Schools To Date

- Baker College
- Brandman University
- Drexel University
- Franklin University
- Hawaii Pacific University
- Indiana Wesleyan University
- National University
- Northeastern University
- Norwich University
- Oregon State University
- Regis University
- Saint Joseph's College of Maine
- Southwestern College
- SUNY Empire State College
- University of Alabama
- University of Maryland University College

The Twelve 3rd Round Metrics

- **Metric #1**- *Online Headcount – Total & New*
- **Metric #2**- *Online Headcount by Program – Total & New*
- **Metric #3**- *% of Pell Grant Recipients in Total Online Headcount*
- **Metric #4**- *Prospective to New Online Student Ratio*
- **Metric #5**- *Marketing Spend- Online Programs*
- **Metric #6**- *Cost-per-New Online Student*
- **Metric #7**- *Total Online Program Revenue & Expenditure*
- **Metric #8**- *Average Online Program Per-Credit Tuition & Fees*
- **Metric #8.1**- *Online Staffing Distribution*
- **Metric #8.2**- *Average Online Course Costs*
- **Metric #9**- *1st to 2nd Semester Online Student Retention*
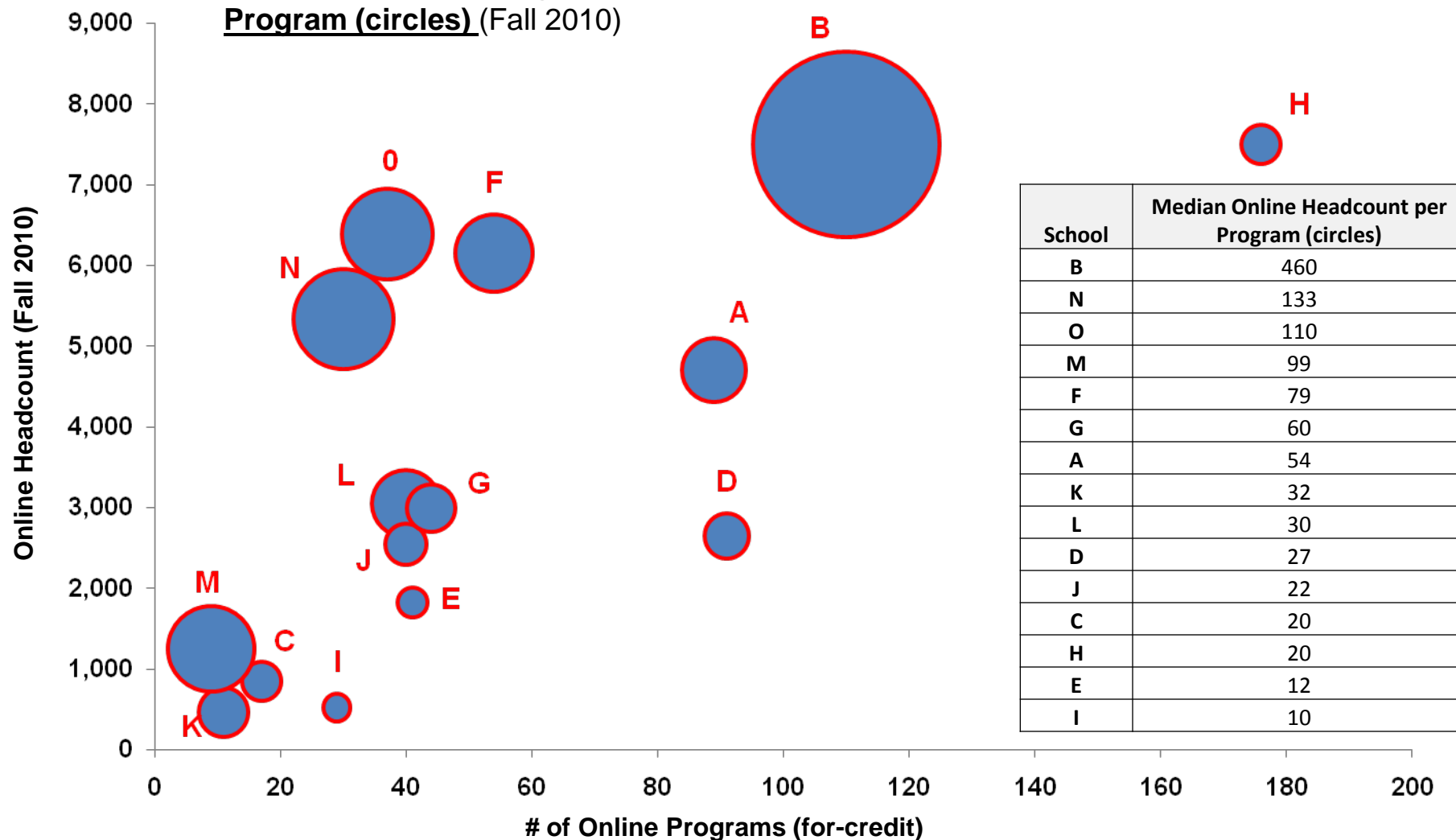- **Metric #10**- *Online Program Completion Rate*

Online growth continues to slow. Steeper grad drop reflects more mature market , competition v. less developed undergrad opportunity

Online Still Outperforming. Total online headcount growth of 5.5% still significantly outpaces overall higher education growth, which was flat Fall 2011 y/y

13.4%

10.3%

10.0%

8.3%

7.8%

6.9%

9.4%

5.5%

2.8%

—— Online Headcount- Total
—— Online Headcount- Undergraduate
—— Online Headcount- Graduate

% Growth Fall 2008-2009 | % Growth Fall 2009-2010 | % Growth Fall 2010-2011

Online Headcount at Schools Participating in Eduventures Online Benchmarking Project

Number of programs aligned with enrollment scale, but some portfolios appears more efficient than others

Number of Online Programs v. Online Headcount v. Median Students per Program (circles) (Fall 2010)

School	Median Online Headcount per Program (circles)
B	460
N	133
O	110
M	99
F	79
G	60
A	54
K	32
L	30
D	27
J	22
C	20
H	20
E	12
I	10

Prospect volume ranges widely. Some schools excel at converting prospects to applicants (P), others applicants to starts (E,M,N)

Online Prospects/Students Only
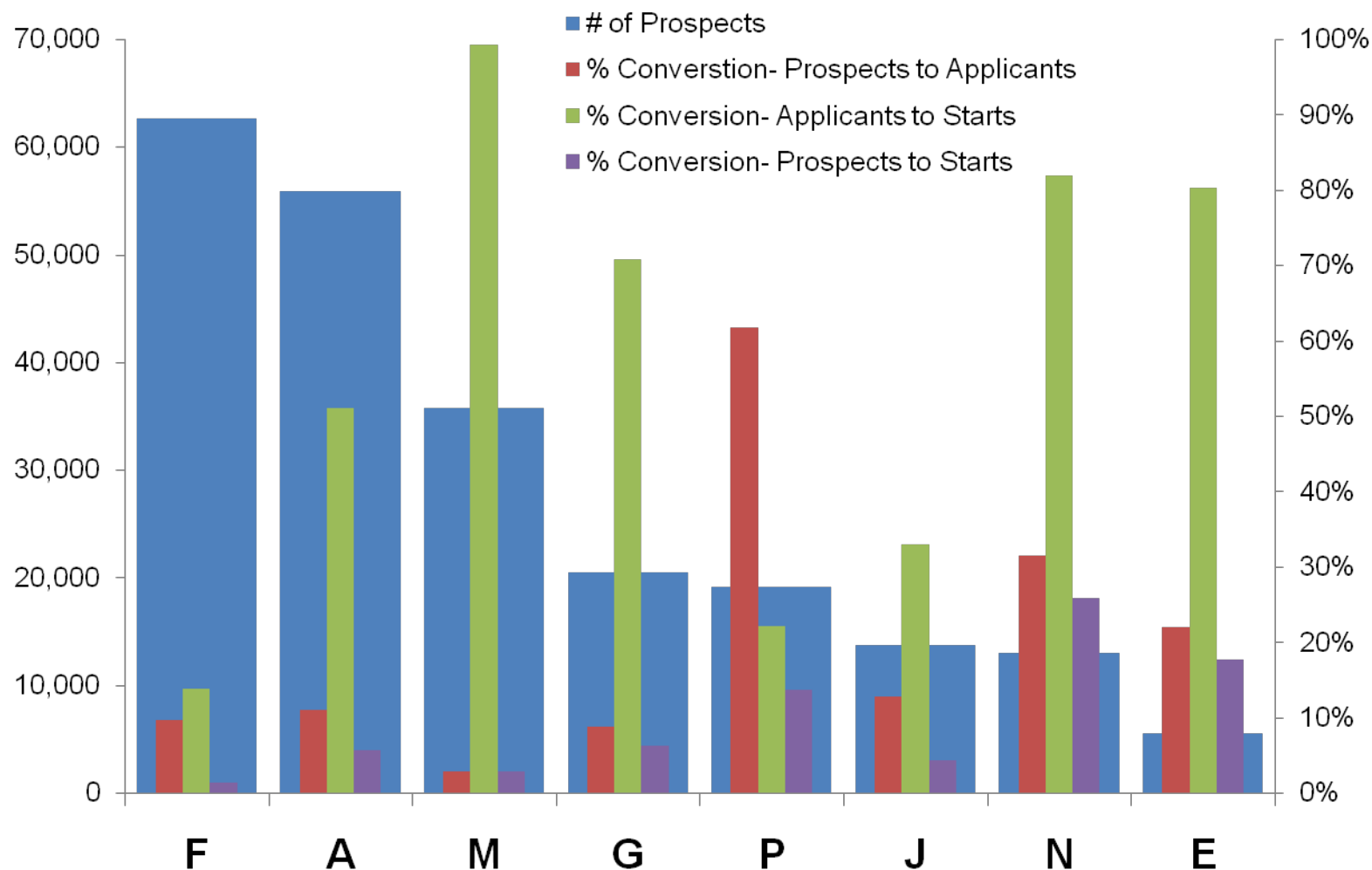
Online revenue scale demands marketing spend; but evidence of relative efficiency (below the line) and inefficiency (above the line)

Online Revenue v. Marketing Spend v. Online Headcount (FY2010/11 and Fall 2010)
(circle size indicates online headcount (Fall 2010)
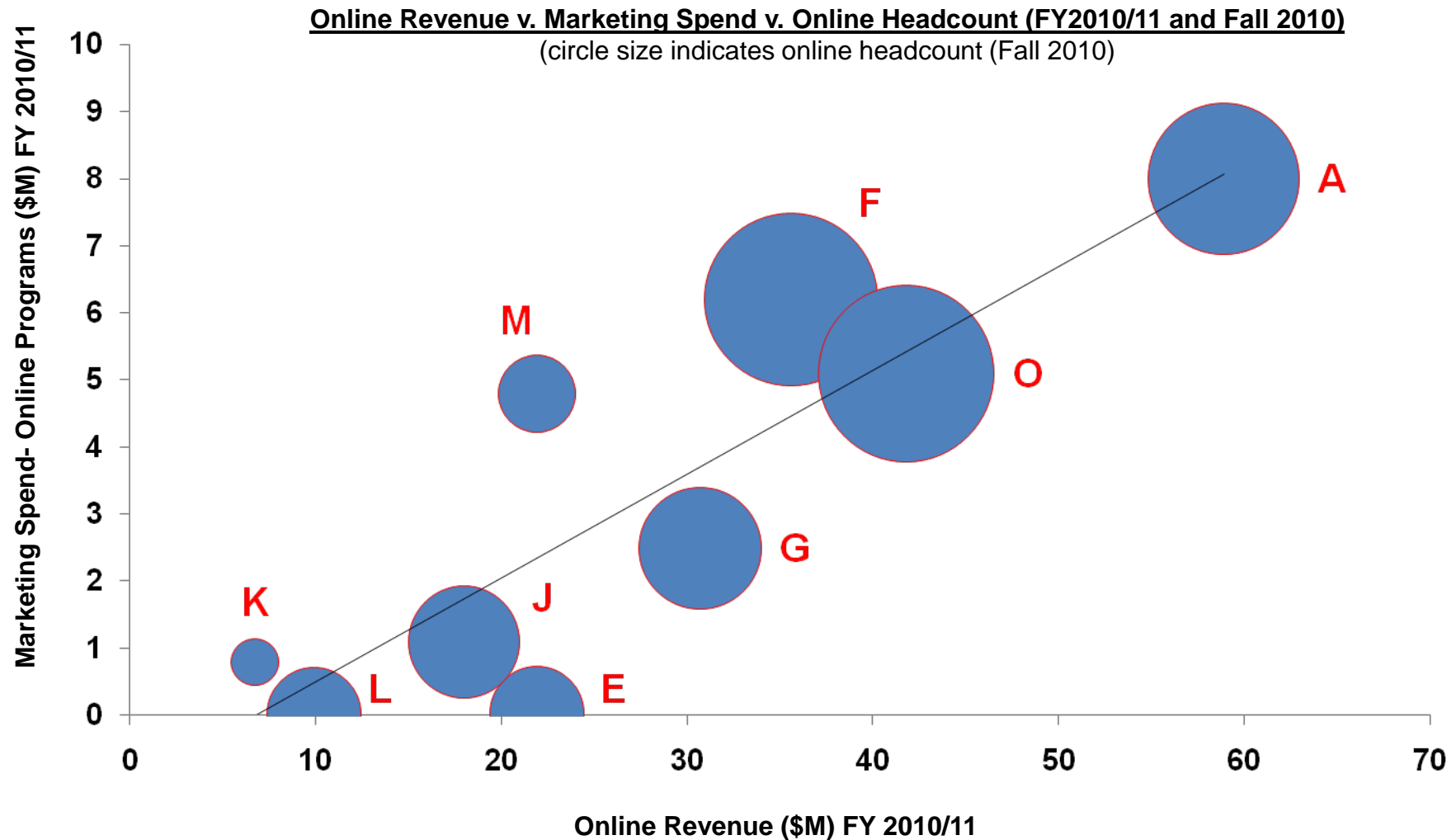
Some smaller schools see economies of scale, while more mature providers cut costs to retain margins, or see margins slip

Online Headcount Growth v. Online Margin Growth (Fall 2010 and Fall 2010)
(circle size indicates online headcount (Fall 2010)
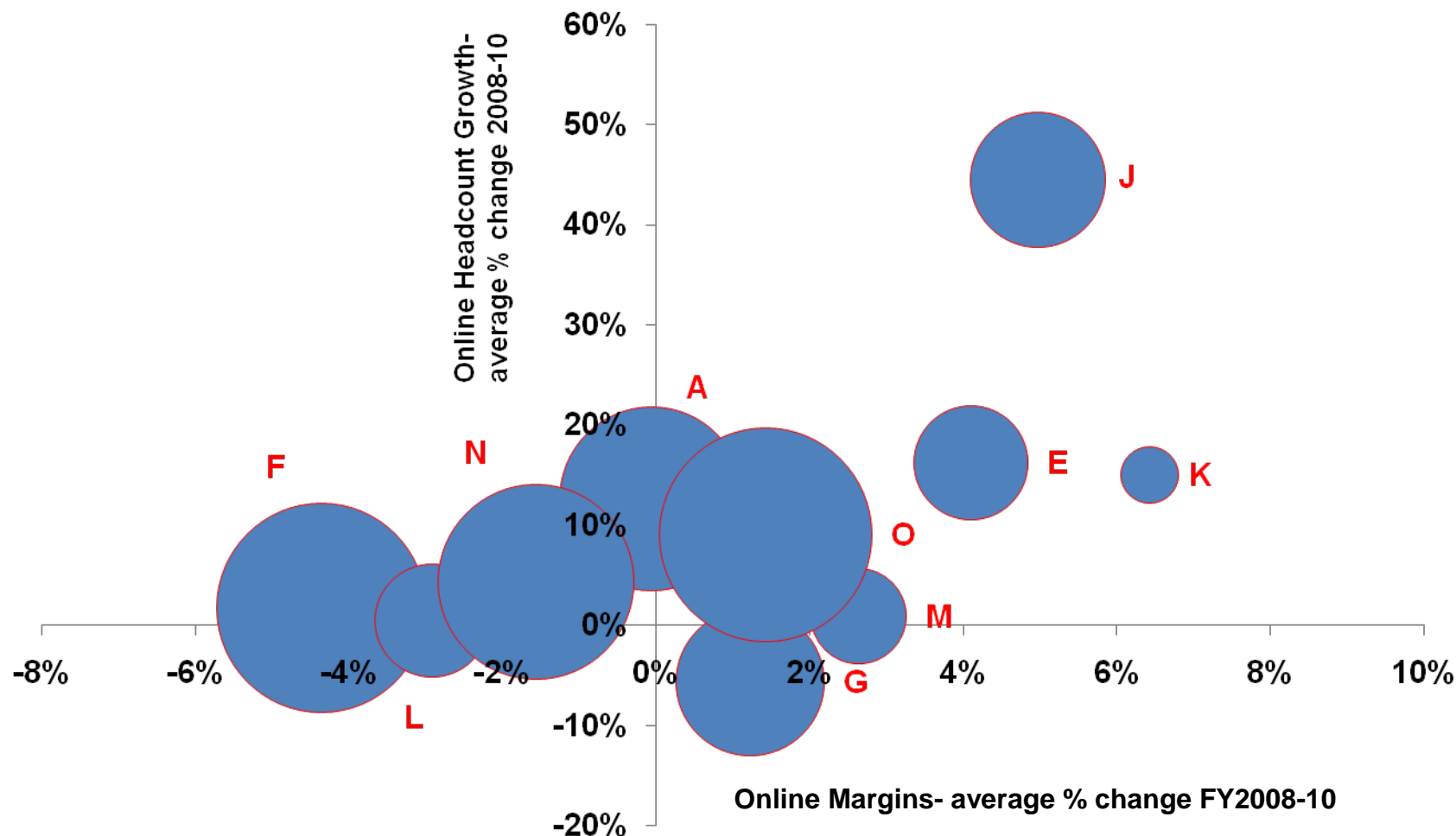
Value proposition and next steps…

Value Proposition- Good Timing

- **Market/Operational Maturation**. As the online higher education starts to mature, at least the current version, expect diminished growth opportunities from new programs and standard positioning. Optimizing enrollment from existing programs, enhancing the quality of those programs and improving the efficiency/effectiveness of operations will be key to a healthy business. Developing online operations without peer comparison is like flying with only one eye open

- **Accountability**. Local data collection is essential to satisfy growing accountability demands, but cross-institutional data collection is much more powerful- in terms of insight, quality and credibility

Next Steps

- **Involve More Schools**. Grow the number of participating schools- at least double over the next year. Develop peer groups

- **New Interface**. Eduventures to create an online interface for schools to report data. Will simplify and speed up reporting, and aid consistency

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