**Coursera – Growth Plan**

**Strategic Leadership and Management**

**University of Illinois Urbana-Champaign**

**Gies College of Business**

MBA 590 Capstone – March 2023

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**Growth Plan Template – Part 1: Where are you?**

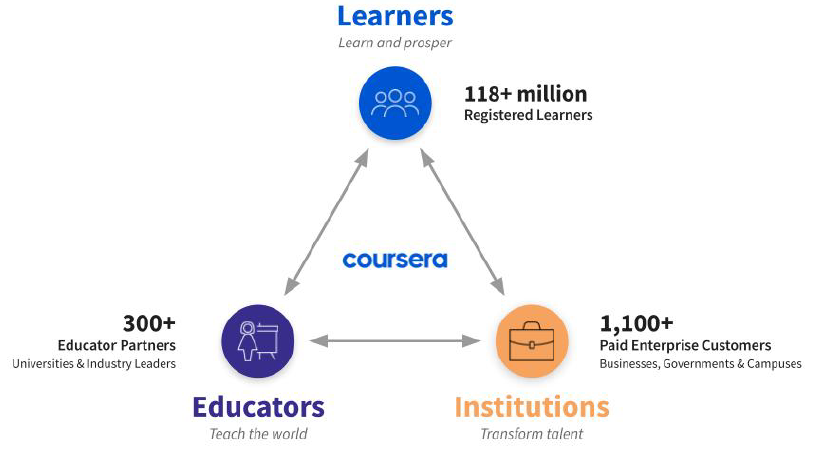
**Company's Name: Coursera**

**Mission Statement: Our mission is to provide universal access to world-class learning so that anyone, anywhere has the power to transform their life through learning.1**

**Key Stakeholders**

* **Examples of External Stakeholders:** educators, learners, organizations, institutions
* **Examples of Internal Stakeholders:** employees, stockholders, board members

**External Stakeholders**



*Coursera’s global learning ecosystem as of December 31, 2022.1*

**Internal Stakeholders**

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### *\*Based on Coursera’s organizational chart; influence assumptions made based on how generally roles would impact proposed growth initiatives*

### Internal Stakeholder Influence – Grid Description (Clockwise)5

### High influence, High interest – all throughout the growth plan initiatives, it is critical for these stakeholders to be on board with the overall plan, the execution, and the resources required. It is crucial they are informed, consulted and collaborated with on all aspects of carrying out the growth initiatives

### Medium influence, High interest – at the beginning stages of the growth plan, their influence is medium but their role entails looking for sustainable growth and capturing headroom, hence they would be very much interested in the growth initiatives. As growth initiatives move into implementation phase, their relative influence would go up as specific tasks and projects would directly be under their scope. It is important to consult and collaborate with them even as the organization shifts to a different structure with what the growth plan initiatives entail, constant collaboration with them is critical to ensure alignment on the overall brand DNA

### Low influence, High interest - this would include investor relations who would be very much interested in growth initiatives, but they may not necessarily derail the plan or the changes to be made that comes with the growth initiatives. It is, however, important to inform and consult with them especially because the growth initiatives would involve investment and getting investors on board

### Low influence, low interest – While those who manage press and media relations within Coursera may not be impacting or being impacted much by the growth plan initiatives, it is important to monitor their activities. At the beginning stages of the growth plan, it is important not to have premature announcements, thus what gets broadcasted at specific period needs to be managed.

### Medium influence, medium interest – Heads of functional services or those teams that report to services, human resources, finance team, etc. may not necessarily have the strongest influence nor interest but they need to be informed and monitored as they would be involved in the building blocks for the execution of growth plan initiatives

### High influence, low interest – any changes like new channel, use of resources, new investment, and the like would be things that these stakeholders – CFO, CPO, and Engineering, may not be something that they would totally be keen in doing; they would need to be well-informed of all the plans and the impact. Given that they have high influence, they need to be onboard with the growth plan initiatives. This is also where pushbacks and challenges may come from, hence its critical to keep them informed of the details of the plan and the progress.

### Company's History and Organization's Life Cycle

### Company’s History: Coursera was founded in 2012 by Stanford University computer science professors Andrew Ng and Daphne Koller. Ng and Koller started offering their Stanford courses online in fall 2011, and soon after left Stanford to launch Coursera. [Princeton](https://en.wikipedia.org/wiki/Princeton_University), Stanford, the [University of Michigan](https://en.wikipedia.org/wiki/University_of_Michigan), and the [University of Pennsylvania](https://en.wikipedia.org/wiki/University_of_Pennsylvania) were the first universities to offer content on the platform.

### In 2014, Coursera received both the Webby Winner (Websites and Mobile Sites Education) and the People’s Voice Winner (Websites and Mobile Sites Education) awards.2

### Today, Coursera is a global platform for online learning and career development that offers anyone, anywhere, access to online courses and degrees from leading universities and companies. Coursera received B Corp certification in February 2021, which means that Coursera has a legal duty not only to its shareholders, but to also make a positive impact on society more broadly, as Coursera continues its efforts to reduce barriers to world-class education for all.3

**Coursera’s Organizational Life Cycle**6-8

Timeline

Description automatically generated

*Organization Stages of Development chart adapted from:*

*Quinn, R. and Cameron, K. (1983). “Organizational Life Cycles and Shifting Criteria of Effectiveness: Some Preliminary Evidence. Management Science*

*Greiner, L. (1972). “Evolution and Revolution as Organizations Grow.” Harvard Business Review.*

* Company’s Funding History: Coursera raised an initial $16 million funding round backed by Kleiner Perkins Caufield & Byers and New Enterprise Associates.   
  In 2013, [GSV](https://en.wikipedia.org/w/index.php?title=GSV_Asset_Management&action=edit&redlink=1) led the [Series B](https://en.wikipedia.org/wiki/Series_B_funding) investment, which totaled $63 million. In 2015, NEA led the Series C round of venture funding, which totaled more than $60 million.  
  In 2017, the company raised $64 million from its existing investors in a Series D round of funding. In 2019, the company raised $103 million in Series E round of funding from the SEEK Group, Future Fund and NEA. The company reached valuation of $1 billion+ in 2019. In July 2020, the company announced it had raised $130 million in Series F funding and updated its valuation to $2.5 billion.2
* Company’s Financial History: Coursera's revenues rose from $184 million in 2019 to $294 million in 2020. To date, Coursera has not made a profit. The company lost $66 million in 2020 as it ramped up marketing and advertising. Coursera incurred net losses of $175.4 million, $145.2 million, and $66.8 million in the years ended December 31, 2022, 2021 and 2020, respectively, and Coursera had an accumulated deficit of $664.1 million and $488.8 million as of December 31, 2022, and 2021, respectively.  
  Despite the explosive increase in demand for online education due to COVID-19, Coursera has never been in the black in the past four years.2

Chart, waterfall chart

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*Coursera’s annual Revenue and Earnings from 2019 to 2022.4*

**Culture and Human Capital Resources**

1. **Overview:** Coursera created a system of equitable employee services and workplace experiences to help employees perform at their best and to deliver the company’s mission of transforming lives through learning. As of December 31, 2022, 1,401 full-time employees make up a global community that is driven by a shared purpose and transformative impact. The team also engages contractors and consultants for auxiliary services and support. Coursera’s focus on building a great place to work has resulted in a strong culture that values innovation and results at scale. Employees are proud to work at Coursera and of the positive social impact that the company can make together. To further enable Coursera’s ability to grow and fulfill the public benefit objectives, Coursera continues to invest in attracting, retaining, and developing team members while enhancing diversity and inclusion in company’s workforce.1
2. **Diversity, Equity, and Inclusion (DEI):** Building a more diverse workforce powers Coursera’s ability to deliver on the company's mission: it fuels the performance and innovation Coursera needs to provide universal access to world-class learning, and it inspires collaboration to help the company create inclusive learning alongside our university, industry partners and Enterprise customers. At Coursera, employees strive to promote a culture of continuous learning and improvement. For the last ten years, Coursera has measured employee engagement and tracked employees’ perspectives on important issues through the employee pulse surveys. The participation rate continues to be high, at 97% for 2022. Employee pulse survey results provide important insight into organizational health and allow the company to address opportunities for improvement in more focused and meaningful ways.  
   Coursera’s DEI initiatives and programs also strengthen the company’s workplace culture and support talent acquisition and retention goals. Coursera supports the DEI strategies to enhance workplace diversity, promote cross-cultural learning, and advance the company’s ongoing efforts to build a company where everyone can thrive.

**Organizational Design:**

**Coursera’s Organizational Chart**5

Graphical user interface, application

Description automatically generated

**Current Leadership3:**

|  |  |
| --- | --- |
| Jeff MaggioncaldaCHIEF EXECUTIVE OFFICER | Jeff Maggioncalda joined Coursera as CEO in June 2017. He previously served for 18 years as the founding CEO at Financial Engines Inc, a company co-founded by economist and Nobel Prize winner William Sharpe. Financial Engines grew rapidly under Jeff's leadership, providing high-quality online investment advice that has helped millions of people save and prepare for retirement. Jeff has also worked as a consultant at McKinsey & Company and Cornerstone Research, and continues to serve as a Director of Silicon Valley Bank, Inc. He holds an MBA from the Stanford Graduate School of Business and a Bachelor's degree in Economics and English from Stanford University. In his free time, Jeff is a lifelong learner and proud dad, and enjoys studying music theory and spending time with his wife and three daughters. |
| Shravan GoliCHIEF OPERATING OFFICER | Shravan Goli is Coursera's Chief Operating Officer. Before joining Coursera, Shravan was at DHI Group Inc. where he initially served as President of Dice, a tech job marketplace, and successfully led the growth strategy and operations for Dice, Dice International, ClearanceJobs, and Slashdot Media. Before that, Shravan served as President and Chief Executive Officer of Dictionary.com where he sparked impressive growth through product innovation. Previously, Shravan was GM for Social Media Business at Slide, Inc. and at Yahoo!, he served as GM for Yahoo! Video and as Head of Products for Yahoo! Finance. Earlier in his career, Shravan was at Microsoft where he started out as an early member of the MSN.com team and led the launch of several MSN services and subsequently held roles in the home and entertainment division. In addition, he was a co-founder of Corners.in, a content-centric social networking service. Shravan holds an M.B.A. from the University of Washington and an M.S. in Computer Science from the University of Maryland. |
| Marni Baker SteinCHIEF CONTENT OFFICER | Marni Baker Stein is Coursera’s Chief Content Officer, where she oversees the company’s content and credential strategy and partner relationships. Marni has more than 25 years of experience in producing and scaling online and hybrid education programs. Prior to joining Coursera, she was Chief Academic Officer and Provost at Western Governors University, where she led its four colleges serving more than 135,000 students with programs that improved access and affordability without compromising academic quality. Before that, Marni held several leadership positions focused on access, student success, and program design at institutions such as the University of Texas System, Columbia University, and the University of Pennsylvania. She earned her PhD in Educational Leadership from the University of Pennsylvania. |
| Leah BelskyCHIEF REVENUE OFFICER | Leah is Chief Revenue Officer at Coursera. Prior to Coursera, Leah was SVP at Kaltura, an Intel Capital funded video technology company, where she oversaw enterprise growth, operations, services, and international expansion. Leah began her career at the World Bank and National Institutes of Health, served on President Obama's Technology Policy Committee, and was a member of the Council on Foreign Relations. She also sits on the Board of Engine Advocacy, a leading technology and startup policy organization that promotes freedom of expression, innovation, and access to knowledge. Leah is a graduate of Yale Law School and received her undergraduate degree from Brown University. In 2020, she was listed in Fortune Magazine’s 40 under 40. |
| Ken HahnCHIEF FINANCIAL OFFICER | Ken Hahn is Chief Financial Officer at Coursera, where he oversees the company’s financial strategy and investments to drive growth and impact for our business worldwide. Ken has more than 20 years of experience as Chief Financial Officer at public and private companies, including Collective Health, iControl Networks (acquired by Comcast), QuinStreet, and Borland Software. Ken comes with a strong track record of building teams, processes, and infrastructure to help companies scale efficiently. Prior to his executive roles, Ken worked at the Boston Consulting Group and PricewaterhouseCoopers. He graduated summa cum laude from CSU Fullerton and was named an Arjay Miller Scholar when he earned an MBA from the Stanford Graduate School of Business. |
| Tim HannanCHIEF MARKETING OFFICER | Tim Hannan is the Chief Marketing Officer at Coursera. With over 15 years of leadership experience at top consumer and enterprise marketplaces, Tim brings expertise in growing and scaling brands to Coursera. During his nearly five years at eHealth, Tim served as Chief Marketing Officer and, most recently, Chief Revenue Officer. He oversaw and optimized departments, built industry-leading digital marketing capabilities, and created a more dynamic, rapidly growing business. Previously, Tim was CMO of Ibotta, Inc., one of the nation’s top shopping apps, and held leadership positions at Trip.com, Orbitz Worldwide, and Expedia. He earned his undergraduate degree in quantitative economics and finance from Providence College and an MBA from London Business School. |
| Rich JacquetCHIEF PEOPLE OFFICER | Rich Jacquet is Coursera’s Chief People Officer. Prior to joining Coursera in 2019, Rich was the Chief People Officer at Gigamon, a network security company with approximately $350 million in revenues. While shaping Gigamon’s culture and employee experiences, he helped take the company public and scale the team to over 800+ people. Rich has also held significant leadership positions at Yahoo!, eBay, Packeteer and Bay Networks. He has an MBA in Organizational Studies from Notre Dame de Namur University and earned his BS in Business from California State University at Chico. |
| Xueyan WangSENIOR VICE PRESIDENT OF SERVICES | Xueyan Wang is Senior Vice President of Services at Coursera. In this role, she oversees program management, partner services, learner services, and community initiatives supporting online degrees and Coursera’s consumer and enterprise businesses. Prior to joining Coursera in 2014, Xueyan spent 9 years at Google leading various services and operations functions in the U.S. and China across advertising, commerce, and consumer products. While at Google China, she established Google’s advertising policies and process, helping launch Google AdWords in China in 2005 which grew into multi-million dollar business. Xueyan has a Master’s in Communication from the University of Georgia and earned her B.A. from Beijing Foreign Studies University in China. |
| Anne Tuttle CappelGENERAL COUNSEL | Anne Tuttle Cappel is General Counsel at Coursera. She spent the previous 13 years as General Counsel for Financial Engines where she was a key leader of the company’s 2010 IPO and responsible for all of the company’s legal affairs, corporate governance, and regulatory strategy. Prior to joining Financial Engines, Anne served as Vice President and Assistant General Counsel at Loomis Sayles & Company, a federally registered investment advisor, handling contractual, compliance, and regulatory matters. While with a global private investment group, Anne handled venture capital and private equity investments in technology, pharma, communications and education companies, intellectual property, and domestic and international tax matters. Anne received a J.D. from Boston University School of Law and a B.A. in Economics from Yale University. |
| Mustafa FurniturewalaHEAD OF ENGINEERING | Mustafa Furniturewala is the Head of Engineering at Coursera. With oversight of infrastructure and product development, he enables Coursera’s platform to operate at scale while advancing new products and technology through innovation. Prior to joining Coursera in 2014, Mustafa held various engineering roles at Twitter, Evernote, and Citrix Systems. He received his Master’s degree in Computer Science from Rochester Institute of Technology and earned a Bachelor of Engineering degree from Savitribai Phule Pune University in India. |
| Rick LevinSENIOR ADVISOR | Rick Levin is a Senior Advisor at Coursera and the former CEO. He joined the company in 2013, after completing a twenty-year term as President of Yale University, during which time he rebuilt the campus, redeveloped downtown New Haven, co-founded Yale-NUS College in Singapore, and generally strengthened the University’s international programs – in China in particular. He is the Frederick William Beinecke Professor of Economics, Emeritus. |
| University Advisory Board |  |

**Growth Plan Template – Part 2: What do we do best?**

To better understand what Coursera as a company does best, we’re going to use the VRI framework to analyze the company's current sources of competitive advantages.



***Three*** *resources and/or capabilities that are important for Coursera:*

* *Key Resource/Capability #1:* **The company’s present scale**
* *Key Resource/Capability #2:* **Quality education with attractive price-to-cost**
* *Key Resource/Capability #3:* **Huge database of learners’ behavior and paths**

|  |  |  |  |
| --- | --- | --- | --- |
| **Resource / Capability** | ***Valuable*** | ***R****are* | ***Costly to Imitate*** |
| **The company’s present scale** | ***Y*** | ***Y*** | ***Y*** |
| **Quality education with attractive price-to-cost** | ***Y*** | ***Y*** | ***Y*** |
| **Huge data base of learners’ behavior and paths** | ***Y*** | ***Y*** | ***Y*** |

Let us look into the details of each Key Resource/Capability in detail.

* **Key Resource/Capability #1: The company’s present scale**

Coursera reached 118+ million registered learners as of December 31, 20221. This online learning platform offers education to individual learners around the world, students on campus, employees from governments and enterprises. 51% of Coursera revenue is outside of the United States.2

**For Business and Enterprise4**:

Aside from courses for learners, Coursera also available for organizations and institutions consisting of three verticals:

* Coursera for Business with 2000 businesses, a quarter of which is Fortune 500 companies like Amazon, Google
* Coursera for Campus partnering over 130 prestigious universities
* Coursera for Governments with more than 100 government agencies and organizations around the world

**For Degree 4**:

Coursera launched its inaugural online degree with the University of Illinois’ iMBA in 2015. Since then, Coursera has grown to 26 online degrees, partnering with 13 universities, and enrolling roughly 12,000 students worldwide.

**For Government 4**:

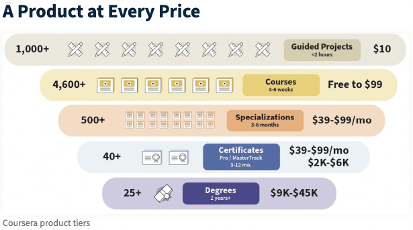
over 100 government agencies and organizations were Coursera for Government paying customers.

A huge number of learners, both free and accredited, allows Coursera to leverage its enormous, trusted and verified data to suggest paths for job skills in Coursera’s Skill Graphs, for example, which is valuable for learners in upgrading their skills for job finding.

Trust from government agencies, giants like Amazon, Google, S&P, Hewlett-Packard or prestigious universities like the University of Illinois, University of Colorado Boulder, University of London … takes time to build which is hard for Coursera’s competitors to imitate.

* **Key Resource/Capability #2: Quality Education with attractive price-to-cost**

Coursera is one of the most disruptive firms in the world. The Edtech platform efficiently acquires learners at scale because of the huge number of free, high-quality courses that it offers in partnership with top educational institutions and corporations. Together with the quality and reputation it has been building around its offerings, its price-to-cost is another advantage it has versus its competitors. Some Coursera courses are free, but the vast majority are not:



<Coursera product tiers4>

* Guided projects start at $9.99 per month 4.
* Professional certificates range from $39 to $99 a month, where learners can partake in more than 500 specifications to gain job-relevant skills in 3 to 6 months, they can even get professional certificates 4.
* Master Track certificates start at $2,0004.
* Degree courses range from $9,000 to $45,0004
* According to Coursera, its average student acquisition cost is less than $2,000 which is lower than industry standard.4

Top 5 Coursera competitors are Udemy, edX, Skillshare, Udacity and Alison 5:

* Udemy offers both free and paid courses, but it doesn’t offer accredited programs.
* edX too offers both free and accredited programs partnering with top universities like Harvard, MIT, Berklee College of Music, University of California, Berkeley. edX focuses on higher education.
* Skillshare focuses on professional development non-accredited courses with hands-on approach.
* Udacity is ten times smaller than Coursera and offers free and accredited courses partnering with universities and businesses that focus on technology education.
* Alison offers both accredited and non-accredited courses. It partners with universities and organizations to offer free certification in various subjects. Alison is smaller than Coursera however, Alison’s many free courses and its focus on employability give it a competitive advantage.

Coursera uses technology to drive down distribution costs, make content more affordable, provide access to less economically endowed regions, help learners keep abreast of emerging skills, and grow its market opportunity. The Covid-19 pandemic has only accelerated secular trends towards the use of technology in education. That said, with the analysis above, quality education with attractive price-to-cost is not really Coursera’s sustainable competitive advantage, but it has the advantage of being ahead of the game compared to its competitors. It takes time and money for Coursera’s competitors to catch up.

* **Key Resource/Capability #3: Huge data base of learners’ behavior and paths**

Coursera offer quality education to people around the world with a mission that “education is the source of human progress” 2:

* 93% of Coursera learners say they would recommend the platform to their friends3.
* The average rating of courses on Coursera is 4.7 out of 5 3.
* 99% of enrollments on Coursera rate the online course provider higher than 4.0 out of 5 3.
* 79% of Coursera learners have rated it 5-star 3.
* Three out of four learners who enroll on Coursera go on to sign up for another course 3.
* 87% of the learners on Coursera report benefits when they seek to pursue new career paths 3.
* 78% of learners become more confident after going through Coursera courses. 3
* 92% of learners intending to boost their education report benefits such as increased readiness for an exam 3.

With above data from 118+ million registered learners1, Coursera possesses a huge database of learners’ behavior and their learning paths which they can use to help learners improve their education plan. Coursera designs learner’s curriculum to be “stackable”, which means a learner can go through a domain in an incremental fashion. The company leverages the huge volume of data it has accumulated to personalize content. So, for example, Coursera’s Skills Graphs can suggest paths for job skills2 which helps learners build reliable plans for upgrading their skills which is an advantage this online platform has over its competitors.

Competing in the MOOCs space is no easy feat. The market is crowded with many players, A study by Global Newswire suggests that the global MOOCs market will grow at a CAGR of 34.54% during the forecast period to reach USD 7,209.889 million by 2027, from USD 903.418 million in 2020 6. If these predictions are accurate, the market opportunity is significant, and it’s likely to attract more entrants. In the past two years, in particular, MOOCs have witnessed rapid growth owing to the emergence of multiple MOOC platforms like EdX, Udacity, Coursera, and many others, as they offer free courses from many top-tier universities. Lucky for Coursera, it established itself early on as a leader in the space. The company doesn’t just offer quality courses; it also provides certification and degree programs from accredited universities. These factors, combined with partnerships with top educational institutions, help Coursera maintain a dominant market position.

**Threats to value creation: durability, relevance**

Online education is a young market that is growing fast, which attracts entrants with no obvious dominant players just yet. Coursera has established itself as a leader with solid technology and customer base. But there are players that are working their way into this market. EdX with partnerships with the most prestigious universities, or Udemy with the belief that education belongs to everyone, not the institutions.

Coursera is dependent on partnership with e-learning providers and could be adversely affected if they are terminated.

**Threats to rarity, imitation, replication**

One of Coursera’s advantages is its scale, but its market share is still relatively small. Its scale can be replicated by its competitors. The same goes for quality of its courses or its possession of a huge database of learners.

Coursera has a solid financial position, extensive course catalog, partnership with top universities, government agencies, top enterprises. It can continue to build on this, take advantage of the market growth, expand its partnership with e-learning providers, launch new products, services and use technology to make learning easier, more interesting, and personalized.

**Growth Plan Template – Part 3: Why are you here now?**

**Executive Summary**

Our group recommends that Coursera expand its offerings to include K-12 education. In this section, we will analyze the potential profitability of this expansion and how it can benefit Coursera.

**Current Issue and Proposed Solution**

Coursera has established itself as a leading online education platform, catering to various target audiences. However, the company's financial performance has not been satisfactory, and it needs to explore untapped markets to improve profitability. One potential market is K-12 education, which has a sizeable revenue potential of around 100 billion, with the online segment accounting for approximately 10% of the total. Coursera could capture a share of this market and generate significant profits, especially since its established brand and technology could give it a competitive advantage. Nonetheless, there are already established players in the K-12 education market, and Coursera would need to offer unique features to remain competitive. Additionally, Coursera could leverage its existing platform to expand into other markets, such as the Chinese-speaking or Spanish-speaking populations. By expanding into these untapped markets, Coursera could optimize its potential for growth and profitability.

**Market Size Estimation**

While Coursera's competitor, Chegg, generates similar revenue, it makes a significant profit, unlike Coursera, which is experiencing a loss. This underscores the profitability potential of entering the K-12 education market for Coursera. The market size for K-12 education in 2021 is estimated to be around 100 billion,1 with the online segment accounting for approximately 10% of the total, which amounts to around 10 billion. If Coursera can capture just 2% of this target market, it could generate around 200 million in profit, representing a growth of approximately 40%.1

**Net Revenue & Net Income Comparison between Coursera and Chegg**2,3

|  |  |  |
| --- | --- | --- |
|  | **Coursera** | **Chegg** |
| Net Revenue | 573 million | 767 million |
| Net Profit (Loss) | -175 million | 266 million |

**Competitive Advantage**

As an established brand, Coursera has the potential to expand into the K-12 education market, capturing a larger customer base. Parents of young learners at this stage prioritize education, providing Coursera with an opportunity to serve them. Additionally, leveraging its existing technology could significantly lower costs compared to offline K-12 education, allowing Coursera to offer competitive prices.

**Challenges**

It is important to note that there are already established players in the K-12 education market, such as Khan Academy or Duolingo. Competing in terms of quality with offline competitors like VIPKIDS or New Oriental could be challenging, particularly considering the rise of online products since the pandemic. Coursera will have to focus on offering unique features that set it apart from existing players to attract new customers and remain competitive.

**Summary**

Expanding into the K-12 education market presents an opportunity for Coursera to increase its profitability and expand its customer base. While there are challenges to overcome, Coursera's established brand and existing technology give it an advantage in the online education market.

**Strategic Leadership & Management Capstone**

MBA 590 | Summer 2022

Sandra Corredor

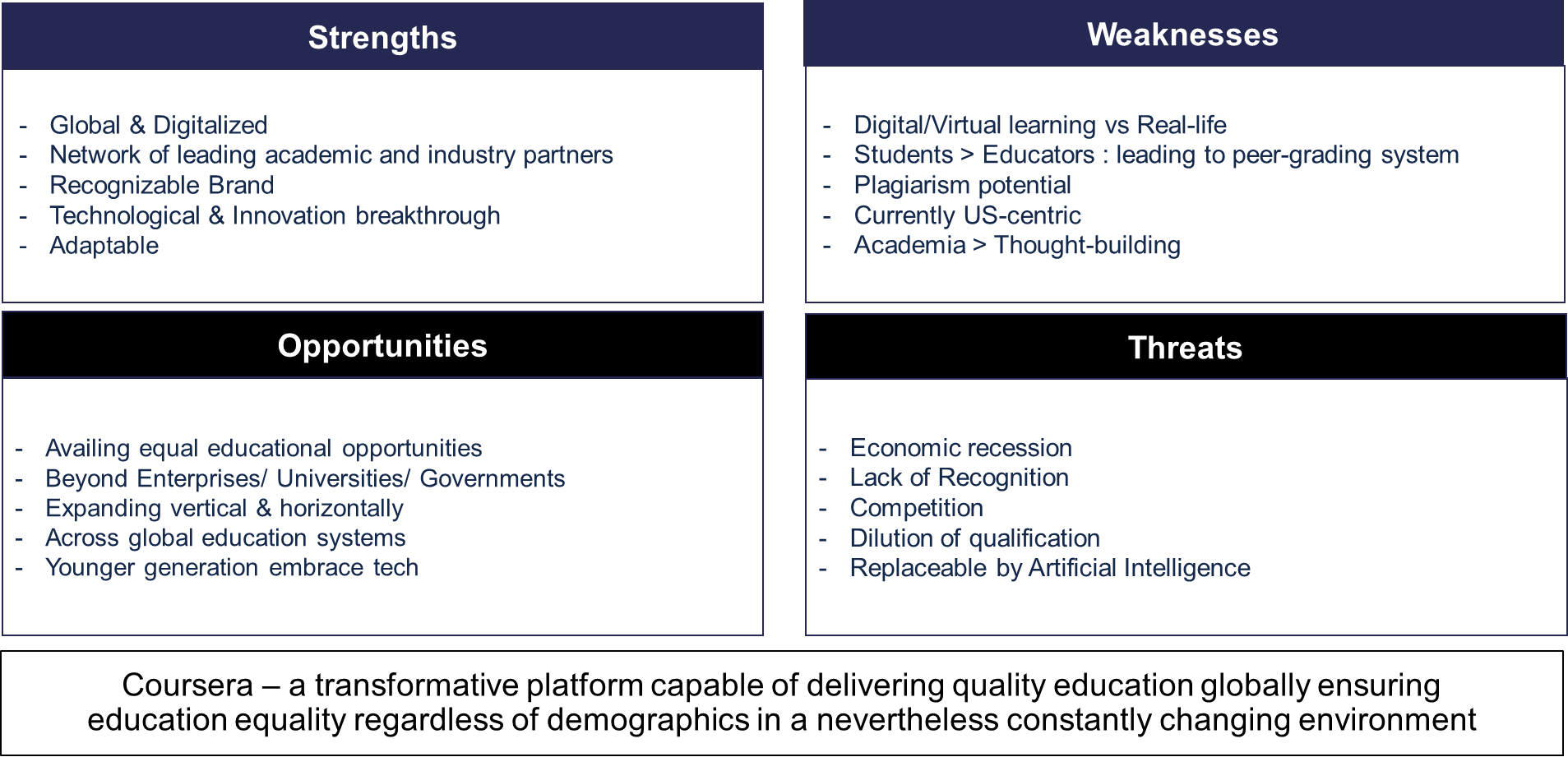
# Growth Plan Template – Part 4: Where is the industry's future going?

Massive Open Online Courses (MOOCs) provided by digital education platforms such as Coursera, commenced disruption in the form and way education is provided, especially during the pandemic by utilising and deploying technology and innovation, as can be seen currently by the iMBA provided by this esteemed institution, University of Illinois.

As part of our growth initiative to:

* Tap the K-12 education learners both in the United States and abroad (including availability in various languages);
* Enhance access and increase educator interface;
* Artificial Intelligence deployed to include real-time validation through accuracy, grammar, speech and articulation, etc

We shall deploy the PESTEL framework, which is primarily used to evaluate Coursera’s macro environment, referencing first the outermost tier of its external environment, which can be used to assess if the proposed growth strategy is appropriate and aligned with its environment in which it operates in. The online courses environment in which Coursera is present is one which is multi-faceted and evolving where it is required to adapt swiftly to regulatory changes, environmental expectations, collective social trends, upgrades in technological systems and a legal framework which is global and changes and developing.



With such assessment of its external environment, then it could exploit and address the elements of “OT” in its SWOT’s analysis. PESTEL refers to the strategic planning and management tool in assessing the macro environment shaping the external environment where Coursera operates relating **to political, economic, socio-cultural, technological, ecological and legal.**

**PESTEL:**

**The Political factors – potentially affecting the growth initiative under our proposal**

1. Coursera is a US-company and listed on New York Stock Exchange:-
   * **US tensions with other countries** (ie; US-Sino relations , Lat-Am, etc) may affect penetration into these markets where Coursera can roll out MOOC in Portugese, Chinese, etc. Any regulatory actions from these hosts nations may prevent access their citizens to Coursera (blocking of sites, of subscription of services).
   * **Trade standoffs:** Current micro-chips trade ban (US banning certain flow of technology), or sensitivity of deployment of Artificial Intelligence, or deemed as information gathering (seen by Huawei officials arrested in Canada), may have an adverse in globalisation strategy undertaken by Coursera. Certain countries may deem the importation of education services such as Coursera as a restriction product relating to technology which can have adverse effect to their growth strategy.
   * **Civil Unrest / riots:** Should Coursera roll-out in the K-12 education sector result in loss of jobs, the unions in respective countries or states may riot and create unrest preventing K-12 sign-ups.
   * **Government intervention:** China rolls out initiative to prevent tutoring companies from making a profit and turning them into non-profit organisations.[[1]](#footnote-2) . Should similar countries adopt similar action, this could prevent Coursera’s roll out of K-12 growth initiative and further globalisation reach.
   * **Corruption:** Coursera is subject to United States laws and regulations relating to anti-corruption laws and regulations that could impair their ability to compete in international markets and subject them to liability.
   * **Adherence to sanctions:** Coursera’s business activities relate akin to export of education services which needs to ensure conformance to various economic and trade sanctions regulations administered by the U.S. Treasury Department’s Office of Foreign Assets Controls.

**The Economic factors – potential affecting the growth initiative under our proposal**

* + **As an emerging growth company –** as defined in the United States as a Jumpstart Our Business Startups Act (the JOBS Act enacted in April 2012), there are extended transition periods to adopt new or revised accounting standards which may affect their investor base and funding needs to expand and pursue growth initiatives until the 5th year of their initial public offering which was done in 2021 (Source: Coursera Prospectus)
  + **Change in funding or spending as dictated by the U.S. Congress** relating to government funding for colleges, universities, schools, and other education providers, may result in challenges to roll out K-12 education programs
  + **Global recession:** may threaten sign-ups and dampen demand across globally and K-12 sign-ups
  + **Punitive taxation globally** implied to external providers targeting global subscribers – could affect the global roll-out as part of the growth strategy.
  + **Capital controls: different jurisdictions** may implement strict exchange rate controls (ie; sign-ups in the local currency), and capital controls (limitation to dividends back to Coursera home country), will have a capital structure and optimisation impact to meet their growth strategy.

* **The Socio-cultural (Social) factors – potentially affecting the growth initiative under our proposal**
  + **Psychological mindset Post Covid-pandemic in the United States** and worldwide, with preference to transition back to in-school mindset or in-class training may hinder the roll-out of our growth initiative
  + **Lack of human engagement and shift of virtual lifestyle:** Parents may reject any visual or digital education, given the already over-whelming pressures through television, cinematics, social media, and hence, will avoid all forms of digital platforms and hinder the K-12 education growth strategy.
  + **Accreditation is no longer required:** if societal norms direct that formal or in-school or any form of accreditation is no longer required to perform tasks, make progress in school curriculum, and with artificial intelligence prevalent today, it could result in a very interesting and varied response in this growth initiative roll-out.

**The Technological factors – potentially affecting the growth initiative under our proposal**

* + **Technological limitations** preventing the multi-language rollout globally and in various languages – inaccurate language translation (ie; usage of Artificial Intelligence or varying software may not be of enough education or academic standards)
  + **Perceived digital learning stifles the human brain** may have material adverse impact to Coursera’s roll-out to the K-12 segment – should any study deems that digital learning is damaging for K-12 education development, this will have a material adverse effect in rolling out the growth strategy.
  + **Educators (K-12 education):** may not have sufficient educators or roll-out interactive programs to engage K-12, and maintain their concentration span.
  + **Intellectual Property Rights:** IP rights protection globally could hinder Coursera’s rollout as it could lead to unauthorised access and imitations.

**The Ecological (Environmental) factors – potentially affecting the growth initiative under our proposal**

* **Rapid climate change** may result in any adverse effect in terms of internet connectivity and power which are key attributes to enable our education delivery platform.
* **Coursera’s HQ is located in California** – which has historically experienced climate-related events, not limited to fire, heat waves, water scarcity and potential seismic activity which otherwise could have stability issues in supporting any growth initiatives.
* **Data-Centers:** As Coursera is a heavy-technology, data and artificial intelligence business, it will require data centers globally, and especially as it globalises towards emerging and developing countries. As these data center typically consume significant amount of energy, of which coal may be the main source of energy available and if there is lack of renewable or clean power available for which the data center is located, it may attract unwarranted environmentalist unrest impacting Coursera’s progression towards its growth initiative.

**The Legal factors – potentially affecting the growth initiative under our proposal**

* **Coursera is registered under Delaware as a public benefit corporation,** that has to operate in a responsible and sustainable manner. Should there be a deemed breach of not being able to provide global access to flexible and affordable high-quality education that support personal development, career advancement and economic opportunity, they might be liable for breaches with damages.
* **Taxation:** Should global jurisdiction apply varying taxation rules on Coursera for sourcing income in their countries, this may have an effect on the growth initiative which is geared towards worldwide roll-out across K-12 and in multi-languages
* **Education is heavily regulated** in the United States and most international jurisdictions. Should there be a stringent need to conduct verification on licensing of individuals providing online education to meet local education requirements and labour regulations it may render hindrances to implement the roll-out globally.
* **Withdrawal of licenses and academic accreditation agencies** for all online education providers – should there be limited or dilution recognition of certificates issues by Coursera, in-turn hindering progression of K-12 to future higher learning, this will prove to be a substantial material point to navigate.
* **Individual rights and Personal data**: Should there be cross-border regulations limiting sharing of information required as Coursera is a US-company, this would hinder the global roll-out of K-12 education, and multi-languages disciplinary roll-out as part of the growth initiative.

We first evaluate suitability of the industry analysis from the perspective of structure-conduct-performance paradigm, in the industry and growth initiative we are proposing for Coursera.

Under Industry Structure:

1. There are a wide variety of product differentiation, various modules, courses, languages catered for wider scope of age group and demographics.
2. With potential many educators, and parents (representing their children) in the buyers and sellers market : which is aligned with population growth these days, and especially the young to middle-age population growth seen in the developing countries.
3. Barriers to entry: apart from initial capital for the platform, and reputation branding, for which Coursera possesses, there are a few significant barriers to entry to tap into the K-12 and global academic education business
4. Cost structures: more technology, marketing, artificial intelligence is required to be front-end invested to ensure a competitive cost structure
5. Demand growth: with growing academic upbringing, bringing education to all, there is demand growth in this segment as learners progress on multi-enrichment approaches apart from traditional in-class learning
6. Switching costs: given the globalisation, outsourcing should be contemplated to ensure all costs are managed prudently to the best objectives of Coursera.

Under Firms’ Conduct:

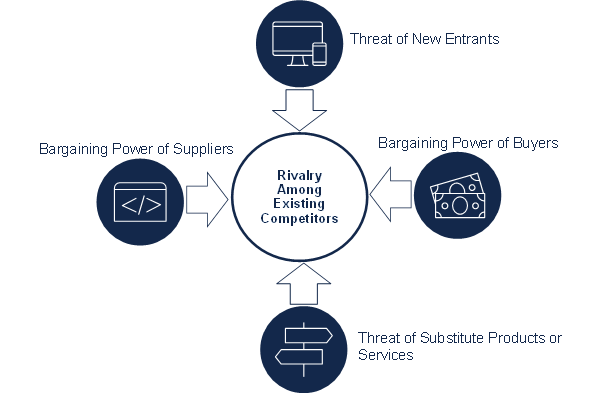
1. Most advertising is required across all media platform, including but not limited to social network, mass media, online media, digitalised, news agencies of alternative access to high quality K-12 education, including usage of interactive artificial intelligence, and across adaptive foreign languages to cater to the demand.
2. R&D spending will continuously be required to revamp and ensure non-stagnation of the academic interface and content, working across product partners to bring innovative access and interface to attract K-12 learners, ensuring their learning focus is maintained, whilst assessing that there are limited or no psychological growth issues associated with a predominantly online/digitalised learning platform.
3. Pricing adjustments will need to be adapted for K-12, given that this is a “sticky” age group demographic, which spans a longer period of time, as compared to enterprise learning or higher learning.

Under Performance:

1. Early entry to grab market share is critically important and ensuring the locking in our esteemed educators in the market, as such the hardware and software investments need to be in place to merit economic profits to be made, market share attained and importantly maintained.

We shall apply Porter’s Five Forces Framework to the growth initiative contemplated for Coursera and the relevant industry, including other relevant forces.

**Porter’s Five Forces 1**



**Threat of New Entrants:**

1. Refers to new competition, or existing competitors looking to break similarly into the K-12 education market or offering global courses in different languages with interactive content; ie; edX Inc, FutureLearn United, LinkedIn, Khan Academy, Wikipedia,etc
2. Various forms of economies of both scope and scale: Players in this market which are capable of deploying or scaling up their existing technology, resources and offering wider scope– ie; Coursera having an established and replicable model expanding to cover the K-12 market / global language courses given their existing foundation, leveraging the same software and optimising their existing marketing teams to cover these new frontiers.
3. Learning curve economies: the fixed costs of Coursera for their patents, technology and hardware is spread across most products bring the average product costs down and enabling them to access to a bigger and wider market.
4. Capital requirements – as seen by Coursera, the investment spans a decade of technology development, research & development, marketing, these intangible investments over time, efforts and financial capital can be seen as natural barriers.
5. Product differentiation: currently ~100 million subscribers, Coursera has a pool of existing learners to leverage for marketing to K-12 (ie; their children/ nephews), or global languages courses offers (to their friends globally), and providing attestation to mode of academic delivery and affirmation. As such, it is critical that Coursera maintains their high product quality and delivery and avoid dilution of branding.
6. Access to distribution channels: Coursera has a renowned platform on their website for academic learners, which has been stable and reliable in its product delivery, and with audience adjustment will be able to adapt to the growth initiatives proposed.
7. Government approvals: Coursera has undergone stringent United States education regulatory and regime approvals which is onerous and the multitude of requirements it had to be met shows demonstration of mettle and creates a natural barrier to entry. There are requirements from various jurisdictions to be met to be accorded the status of a suitable education provider and platform.
8. Expected Retaliation: it will be natural for their peers to conduct all available forms of professional retaliatory actions through product differentiation not dissimilar to the growth initiatives. Given the sunk costs for these peers are already conducted, it is highly expected that competition to ensure a wider product offering across ages, and demographics will be expected. Coursera has a listed company in the New York Stock Exchange will have diversified capital access should it warrants to invest, expand, market to ensure the growth initiatives are met.

**Rivalry among Industry Firms:**

1. The intensity of rivalry is considered moderate given:
   * Industry concentration is relatively low to moderate given the reputable players in the market
   * Product differentiation is high: as whilst it is deemed as providing online education, the scope of product is high (as part of the growth initiative), capable of providing the product to wider access of participants and learners
   * Fixed/Storage cost is high: as seen from the high research & development investment, including marketing costs
   * Over-capacity is moderate: given it requires further expansion of resources and marketing teams, both tangible and intangible
   * Exit barriers deemed medium as nothing prevents full exit of the business, as Coursera is ultimately a platform delivery service as a high quality one education provider. Should Coursera continues to operate in the long term at a loss, it would need to highly consider exit, as such, this growth initiative is part of their existing optimisation strategy to leverage on the brand and platform built.
   * Demand growth: Agility is key, as such Coursera will need to constantly to refresh their offering suites to ensure being able to capture the appropriate markets first.
   * As it is critical to convert freemium products to subscriber paid products, some form of destructive price competition is conducted to attract learners towards their platform

**Threat of Substitutes:**

1. Logic of substitutes: There are wide and diverse forms of education providers available, however limited for a one-stop shop (1) K-12 to higher learners (2) multi-lingo (3) completely integrated interactive mode provider in the industry, as such embarking on this growth initiative may seem as a natural growth strategy.
2. Should there be no perceived value awarded to the learner for the education obtained through Coursera, then there lies a true threat that traditional learning continues to give.

**Bargaining Power of Suppliers:**

1. Concentrated suppliers: Coursera’s business model has been targeting premium educators – as part of their growth initiatives, it will venture into collaboration with quality providers such as from pre-schoolers (Montessori), to quality enrichment (Kumon), International schools’ module providers
2. As these providers themselves, are at times looking to forward integrate, it will be timely for Coursera to form a collaborative approach to help them progress towards their online education delivery.
3. As setting up these online education platforms can be costly, providing these educators a reliable, and stable platform such as Coursera, at competitive pricing will ensure a strategic fit – to avoid some form of high switching costs associated.
4. As such, should the long lead time to set up their own delivery platform, the lower the bargaining powers of these educators.

**Bargaining Power of Buyers:**

1. Buyers (ie, the subscribers or learners) are wide and diverse, as seen from the growth initiative, there is a wider base of learners to tap, across various subjects, enrichment courses, core modules, in a variety of languages capable of being delivered.
2. Learning costs – whether as home-schooling or enrichment type is a core costs incurred by every individual family.
3. The product delivery and its quality, and here could infer both tangible (accreditation and validation) and intangible (quality of content and enrichment) provided is of upmost importance. No one signs up for a course with the intent of not taking away something important both tangible and intangible.
4. There are available switching costs to the buyer here, as it needs to be sufficiently enticing enough to ensure they prefer the online education module and not switch back mainly to in-class learning or enrichment, which is the traditional option.

In conclusion, Coursera has been a form of disruptor to the education industry, and whilst it is not expected to fundamentally change the perception of education, it provides an integrated learning approach towards implementing the growth initiative we have articulated. Various educators have been considering transforming their academic delivery mode, and utilising technology, one for which Coursera possesses, is the logical and perhaps strategic combination to make. The motion of the growth strategy is not one for which the economic and financial incentives (~4%) is the main objective point, however, it is the sacred belief that education should not be only for the privileged but for all that seeks it. As such, our growth strategy for Coursera entails the holistic intent to ensure learners across all ages, income family groups, cultural, geographies, demographics, language and other social backgrounds have equal access and opportunities to be educated on equal footing with the rest of the world. As such, the use of technology and globalisation of the growth intent continues to be fundamental in seeing the future success of Coursera.

The Pivotal Force here will refer to the conversion of freemium academic products into paid subscriber based products, which as discussed, as compared to traditional education, the process of accreditation has always been the main entry barriers. The transformation of the overall industry in recognising that online learning deserves the accord it deserves from true diligence invested by the learners themselves.

**Strategic Leadership & Management Capstone**

MBA 590 | Summer 2022

Sandra Corredor

# Growth Plan Template – Part 5: What do you need to do?

1. **Define your Growth Initiative/s business model (VARS).**

|  |  |
| --- | --- |
| V  Value Proposition | Education is fundamental, and in the ever-progressing world, it is critical. World Economic Forum describes it to be the “key to development.”7 If someone wants a better job, better career or get promoted in his or her job, education and advancing it is critical. The problem is education is expensive. In the US alone, currently the cumulative debt of 44 million Americans on student loans amount to US$1.7 Trillion.8 In the UK, student maintenance loans have also increased by 2.8%.  For the more unfortunate ones, education or furthering it may not even be an option.9  Coursera’s offer of university quality education addresses both the need for higher education and unburdening the costs that come with it.  The same value that Coursera offers applies to K-12 learners. In private schools, tuition prices get higher, getting in becomes more difficult, and the number of educators is diminishing. With globalization eliminating borders and barriers, learning language early provides an edge to K-12.  The growth plan initiatives leverage on this strength and offer an economic value to K-12 learners, providing a competitive advantage in the ever-evolving economy which requires more and more upskilling.  The sources of value for Coursera include its platform, the credibility it has built over the years with individual courses, specializations that can all be stacked up into a degree. It offers value-for-money and democratizes learning by increasing accessibility to learners without the high cost.  As it moves on to the growth plan, it is crucial for Coursera to be true to its core but reinventing the platform. It needs to build its content for language, add new channels and platform for the content and ensure partnerships. With K-12 as the target audience, it would need to have the capabilities that would make learning fun, interactive and engaging, while ensuring that the stakeholders with buying power – the parents or schools for instance – see relevance on what Coursera offers beyond what other language learning firms offer. |
| A  Activities,  Resources,  Capabilities | * Identify key Activities, Resources and Capabilities to move forward with your Growth Initiative/s. * Resources: financial, physical, technology, relational, human capital. * Capabilities: organizational and managerial skills.   Activities – with the growth plan initiatives, Coursera would need to establish the network infrastructure for K-12 education system; that is, it needs to have stakeholder engagement with government and education body that oversees K-12 education legislations. Other activities would launching sustainable campaigns designed for K-12 and language learning.  Resources – Language learning would require a new platform for the content that would cater to K-12 globally. AI development to meet language learning needs has to be in place. To gain access to certain technology, strategic alliance is one avenue that Coursera can strengthen its resources – eg gamified apps for language learning.  Capabilities – Coursera has excelled in partnering with universities; language learning being the core content of the growth plan would entail being able to provide proficiency certifications from accredited bodies. |
| R  Revenue Model(s) | It is our recommendation that Coursera stick with this revenue model and make minor adjustments to better align with competitors in the ELL and K-12 space, rather than completely overhaul its current model.  In the future, Coursera may even look to expand to a two-sided market, earning revenue from both content producers and consumers. |
| S  Scope of the Enterprise | We suggest that Coursera follow its current offering model for these new customer segments (ELL and K-12), for example:   * Guided Projects, Courses: for children who would like to deepen their knowledge in different subjects or for non-English speaking children to learn English through math, science ... * Degrees: Coursera can partner with schools or even governments to provide certified home school programs for children like they’ve been partnering with Illinois to provide iMBA. |

Coursera provides a high-quality digital learning experience for higher education learners across the globe, at an affordable price.

Breaking down this value proposition into different components, Coursera is an online learning platform that partners with top universities and institutions across the globe to deliver courses and programs designed by experts in different fields. These courses are offered to those individuals seeking to enhance their education, whether it be out of curiosity or to improve one’s career. Coursera offers a wide range of programs and courses at all different price levels, starting with free courses and going all the way up to an accredited master’s degree program. One of the very few restrictions that Coursera has is that users must be over the age of 13, to protect minors.1

Coursera was founded over a decade ago and has since amassed a large catalogue of course offerings by partnering with highly trusted and well-respected institutions. This has helped to solidify Coursera’s brand as an elite online learning ecosystem. However, in the recent years there have been more and more entrants into the space, and it appears that we are close to market saturation. This highlights the need for Coursera to broaden its horizontal scope and customer segment, offering online educational programs to both non-native English speakers and target the K-12 demographic.

Coursera has achieved an economy of scale in terms of users, as we can see from a recent SEC filing, Coursera has approximately 118 million registered users on their platform.2 Being able to serve a consumer base this large shows that Coursera is well known worldwide, and they have achieved substantial market capture. By leveraging their current capabilities Coursera should look to expand its scope to address the massive K-12 and English Language Learning (ELL) demographic.

A key activity that Coursera must leverage deals with courses. Coursera knows how to successfully create, deliver, manage, and accredit courses. These are some of the primary activities that set Coursera apart in terms of quality online education. Applying these activities to the K-12 and ELL sectors, Coursera can create reputable programs which target these large demographic categories that are not currently being addressed.

Another source of competitive advantage for Coursera is the technology it uses to deliver these programs. Piggybacking on this important resource, Coursera can build programs that use machine learning to make more engaging programs for younger learners and non-native English-speaking learners.

Furthermore, the partnerships with highly accredited universities and institutions have given Coursera access to some of the smartest human capitals in the world. This resource has helped to build Coursera into a trusted brand for quality education. When entering new markets, Coursera should leverage this resource to help differentiate themselves from the competition.

The amount of data that Coursera has been able to collect about its users has given it the capability to create customized learning programs that keep a learner motivated and engaged. This is one aspect where traditional education falters, as it offers a one-sized fits all approach rather than meeting learners where they’re at. Coursera should use this enormous amount of data with machine learning capability to build new programs that are not only accredited, but interesting, engaging and leave the learner thirsty for more.

Coursera currently uses a robust revenue model for capturing value on the backend. As mentioned above, Coursera offers free courses and a low entry barrier of just $10 per month for guided projects. It is our recommendation that Coursera stick with this revenue model and make minor adjustments to better align with competitors in the ELL and K-12 space, rather than completely overhaul its current model. In the future, Coursera may even look to expand to a two-sided market, earning revenue from both content producers and consumers.

1. **Create the Conditions for Growth**

Now that Coursera has decided to undertake the project of expanding its customer segment to target ELL and K-12, it must select a project leader, determine the team of people that will carry out the project, identify key stakeholders, develop the project scope and setup an appropriate organizational structure for the project that facilitates collaboration, trust and builds a cohesive unit all working towards the same goal.

This starts with selecting the right leader for the project. Leadership is a key aspect in that must be addressed if the growth initiative is to be successful. We recommend Coursera look at the ABI model and select a leader that meets these criteria. The ABI model stands for ability, benevolence, and integrity. If a person is perceived as having these skills by others, it is more likely that a culture of trust can develop and flourish.3 Employees want leaders that care about them as people, not just as a means to an end, and are more likely to buy into the project if they feel that the leader sees them as contributing member.

The leader of the project will influence and direct team members, it is important for subordinates to trust the leader in order to give the project the best chance at success. It is important to understand the power dynamics at play in this new endeavor. Ideally, we would like to select a leader with legitimate power, expert power and most importantly referent power, which comes from being respected and trusted.4 It is important to avoid having the leader influence the team through coercive power as that can involve manipulation and lead to contempt.

Communication is imperative for any major project to succeed. Establishing the project scope at the very beginning will help Coursera management clearly define the deliverables for the project, align everyone on the target goals and develop tools for measuring success. Avoiding ambiguity will help everyone on the team to establish common ground and provide direction. But utilizing SMART goals, the leader can clearly communicate the milestones, technical requirements, define what the project does not include and assign clear roles. Milestones along the way will help the team get some quick wins and break down an enormous project into smaller tangible bites. Doing this at the very beginning of the project will help Coursera reach their 4% target growth goal.

Now that the project scope has been established and everyone knows their responsibilities, it is important for the leader to create an environment where team members feel comfortable displaying their authentic selves. Promoting respectful discussion and debate will help the team feel like they can express disagreeing opinions without fear of reprimand. Furthermore, by promoting openness, the leader will help to avoid groupthink, promoting critical thinking over consensus.

Human Resources, in coordination with upper management should work to facilitate bringing in the right team members for the project and helping set up an organizational structure that is efficient, cohesive, and able to get the job done.

In terms of the right personnel, research suggests that promoting within a company has better long-term effects than hiring from outside. The Wall Street Journal and Forbes looked at the cost of hiring from outside versus promoting within and found that external hires are paid higher and yet are far more likely to get fired down the line.5

There are several different organizational structures that may be applicable for Coursera as it looks to solidify itself in the K-12 and ELL space. Determining the appropriate structure for this growth initiative is a matter of trade-offs. The matrix structure would see experts in different functional areas brought onto the project team, hopefully increasing efficiency. However, this structure can lead to conflicts as members of the project team would essentially have two bosses, the functional boss, and the project manager boss.6 This is why communication and collaboration are imperative for this structure to work. If this project is considered essential as a growth initiative, Coursera can look to deploy a balanced or strong form of matrix organization which gives the project manager equal or greater power than the functional manager. By choosing this form of organizational structure the project manager must be comfortable with conflict and be willing to compromise. Furthermore, for this structure to be successful, the project sponsor (usually a VP) must monitor the progress and step in when needed. The project sponsor can provide guidance to the project leader and make sure that the organizational culture aligns with ethical and accountable business practices.

1. **Leverage the Core Business**

Coursera’s DNA is online education. Since its inception in 2012, Coursera has changed learning methods. From that time when it has revolutionized the online education or better known as the Edtech industry, it has been collaborating with over 250 leading universities and business enterprises in offering learners an extensive breadth of content for upskilling that are stackable, certifiable with the benefit of value and schedule flexibility.1

Coursera has reached a scale and magnitude with very little changes to the model it started out with. The monetization of its platform was brought about by democratizing education, utilizing data-driven platform that allows the stakeholders in its ecosystem – learners, educators and enterprise – to efficiently have a cycle of providing and receiving education from stand-alone courses, specialization certificates to degree-bearing education.2

At its very core, Coursera is an online learning platform and the growth initiatives planned would leverage on its current capabilities:1

* Its magnitude and scale which includes, but not limited to, its platform, its ecosystem, its brand equity
* It offers cost-effective university quality content partnering with over 250 universities
* Its huge database of learners - with over 100M registered learners, and which continue to increase year on year.

These capabilities are valuable, rare and do not happen overnight. While there may be several companies that offer online courses, the level at which Coursera provides content is not easy to imitate. The growth initiatives would therefore focus on the value Coursera is offering which revolves around access to quality education that is uniquely offered by well-credentialed professionals that are experts in their field, affiliated with top universities, or both, that can be individual courses, specializations or stacked up into diploma-bearing degrees.1, 3

The growth initiatives align with Coursera’s DNA and leverage on these capabilities but applied beyond what it primarily focuses on – which are post-secondary learners as demonstrated below: 4, 5

Diagram

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The growth initiatives go beyond this and target K-12 learners in the US and outside the US which is a huge headroom from the number of learners and opportunity for dollar value.

In the article entitled “Disruptive Innovation” by Christensen, et al., one aspect of disruptive innovation it describes is how “entrants” start out by looking at segments that are overlooked and successfully capturing these segments when better options and solutions offered allow them to gain foothold.6 While Coursera is not a smaller entrant, the growth initiatives are somehow disruptive innovations of its own market when it targets the overlooked segment for online learning which is K-12. Even in the language learning industry, the high-end market would still be post-secondary learners, leaving K-12 segment as overlooked.

The American Council on the Teaching of Foreign Languages or ACTFL highlights the advantages of learning language for students. As we move into the future and specifically globalization and global integration, language is a key component in education.

Some of the benefits of language learning include:7

* Being able to connect – whether travelling for leisure or business, being able to converse in the local tongue immediately allows bond to form that may otherwise be difficult to establish
* Advancing career and education – in the US alone, employers continue to seek potential candidates that are bilingual or multilingual to cater to both foreign-born citizens and overseas market expansion; seeking higher education in top universities in English-speaking countries or Europe (Spanish, German, French speaking) would mean learning language other than your native one
* Gaining perspective and conscious awareness – because language is deeply rooted in culture, learning one shifts mindset and allows for growth that would closely linked to diversity, inclusion and equity

**Competitive Landscape in Language Learning**

Language courses are offered by several platforms in various format. School or university curricula would offer limited number of common languages. Certain country-affiliated institutions offer language learning with certification only for language the country represents such as Spanish courses offered by Instituto Cervantes and German by Goethe Institut.

Some of the relatively more informal language learning providers are either app, software or web-based.

**Some competitive Activities, Resources and Capabilities**8 -13

Table

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Understanding the different activities, resources and capabilities of language learning providers and how they stack up against VRI is critical as Coursera moves into having this as a core or pilot content for K-12. Most, if not all, of these players mainly cater to post-secondary learners.

**Aspirational VRI**

Moving forward with the growth initiatives would require building new capabilities and adding new resources. The growth initiatives which target K-12 will pilot new content and one specifically would be language – that is English for non-English speakers, Spanish, French, Mandarin, to name a few.

1. Platform for new content catering to K-12 learners globally. New channels for this content are essential to make it more accessible as well as habit-forming. Learning a language requires not just listening and comprehending, but requires practice, specifically speaking. The growth plan would need to either invest in AI development that would include real-time feedback, grammar check, pronunciation, as well as a conversation partner is essential. This also addresses Coursera’s current challenge of reviewing coursework.
2. Partnerships – to explore strategic alliances with companies that cater to K-12. One avenue would either be licensing or equity alliance with Duolingo to leverage on Duolingo’s existing interactive app platform and tap into current app users.
3. Proficiency certifications - while Coursera has the advantage of having partnered with top universities in getting accreditations and certifications, language learning entails certification from known bodies – eg DELE or SIELE for Spanish\*, ESL or EFL like TOEFL and IELTS for English.14

*\*DELE –Diplomas de Español como Lengua Extranjera (Diploma of Spanish as a Foreign Language); SIELE – Spanish Language Evaluation Service;15 ESL – English as a second language; EFL – English as foreign language*

**Descartes Decision Square for each of the aspirational competencies**

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1. **Choose the right leaders for Growth**

To execute the growth initiatives and successfully achieve desired growth, Coursera’s leadership structure and competencies need to be reinforced. If we look at the three broad categories at the helm of Coursera – management, board of directors and committee composition – diversity in gender is present, as well as in background both in heritage and industry. This works as an advantage for the organization as Coursera expands globally. However, what is very apparent is ivy league university undergrad and/or post grad is a common denominator for the leadership team.16 While there is nothing intrinsically wrong with this, it may benefit Coursera to have the expertise of someone who has received a diploma-bearing degree through online learning.

An article by Sunny Giles published in the Harvard Business Review in 2016 entitled “The Most Important Leadership Competencies, According to Leaders Around the World,” among the five themes of the tope 10 leadership competencies, strong ethics and safety ranks the highest.10 While the presumption is that Coursera excels in this aspect, connection and belonging is a theme where Coursera has an opportunity to evolve further.

**Five Themes of the Top 10 Leadership Competencies:**17

Timeline

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Coursera’s CEO, Jeff Maggioncalda, in an interview with Fast Company, states that ‘learn, change, and grow’ should be innate in the company and that if the organization gears towards growth, then there should always be a constant search for opportunities and to quote him, “If you can spot what’s happening, move quickly, and continually adapt to the feedback.” While this aligns with the growth initiatives and what Coursera offers from a solutions perspective, form an organizational perspective, there is a room of improvement. One example is that in the same interview, it was also mentioned that he says “while online education cannot replace ‘the valuable benefits students receive from earning a degree on campus, it can help many students who cannot participate in on-campus programs for whatever reason.’”17 While it may be true – that there are benefits to face-to-face interaction for instance that a student can only get through on-campus experience, but the statement may be misconstrued as depicting online education not being equivalent to an in-person degree, which is a misconception. This poses an even deeper need to have grounded, online-learning education exposure in the leadership team.

With the growth plan initiatives comes the need for a subset of the whole Coursera that would somehow run independent from the mainstream business. Such is required of innovation. It will be a relatively smaller organizational team that would focus solely on the low-scale foothold of K-12 and would focus on online language learning.

At different levels of the Coursera organization, for different tasks as the firm moves into executing the growth plan initiatives, different leadership styles may be required for specific tasks to be achieved. However, the focus for Coursera would be to adopt transformational leadership.

**Transformational Leadership**

Timeline

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**01 – Idealized Influence**

Management Committee from CEO to all department chiefs should be able to demonstrate the openness for new expertise to come in; in the current structure, the 3 main categories – management, board and committee composition – tend to have the same people. With the direction it will be going with the growth initiatives, it is critical to restructure and put in place new leadership for the new business unit focusing on the growth plan.

**02 – Inspirational Motivation**

As the new addition to the core would focus on the new target segment, new content, building the goals, objectives, strategies and tactics for the new business, management committee and committee composition should focus on a campaign that would inspire current business market and internal stakeholders. While the growth initiatives focus on K-12 learners, it caters to parents, teachers and schools of these K-12 learners. Thus, management committee should lead a campaign on empowering children (K-12) with language to empower its existing learners (post-secondary learners who are parents of K-12).

**03 – Individualized Consideration**

Incoming leaders who will oversee new business (those with K-12 and/or language learning expertise) would have knowledge sharing sessions and overall organization would provide a platform for cross functional learning. Projects and specific tasks would need to provide opportunity for learning, collaboration and knowledge and resource sharing.

**04 – Intellectual Stimulation**

Everyone -- and management committee to kickstart – taking the new online language learning for K-12. One way to effectively stimulate teams intellectually while bringing the vision to reality is when leaders are grounded and have humility to embark on a learning experience that is new for everyone. Going into the new space, having new content, and utilizing new platform and network strategies that come with the growth plan would mean new channel for learning for everyone in the organization.

### List of desirable attributes to select the leaders of your growth initiative/s.

|  |  |
| --- | --- |
| **Initiative Leader’s Attributes** | **External Support Resources Initiative Leaders might need** |
| Experience in language learning courses | Needs for capabilities on language learning (eg experience on institutions for language learning) including relational resources |
| In-depth understanding of garnering degree online | Management talent or consultants who have received degree online |
| Expertise in K-12 education system and legislations | Consultants in K-12 education system including channel capabilities |
| Knowledge of catering to K-12 market (which would be indirect; parents will be key decisionmakers) | Management talent to build team on developing new business |
| 3 Cs:   * Curiosity * Courage * Commitment | * Curiosity: Pilot sites with K-12 private schools and understand market orientation * Courage: Investment on R&D and marketing, and new people * Commitment: Plot pipeline after language to meet K-12 learning demands |

1. **Establish the right metrics and milestones to track the growth progress**

**Coursera at Present**

Mission and Vision18

Graphical user interface, text, application

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With the growth plan, Coursera remains true to this at its core, but reinforces its vision of transforming their lives – that is done two-fold with the growth initiatives:

1 – transforming lives through learning at the early, formative stage

2 – empowering parents all over the world with the same access to accredited topnotch language learning for kids that currently only a handful elite private K-12 may have access to

The aspirational vision, therefore, specific to the growth initiatives would be:

Envisioning a globally connected world where young minds are shaped thru language learning that can be accessed by anyone, anywhere.

**Critical Milestone and Metrics**

For each of the 4 aspects, goals and how milestones are measured should differ from how Coursera measures these with their current business:

* Financial Performance – Coursera mainly monetizes its course offerings through direct learners, enterprise partnerships and degree courses. It focuses on the number of new learner registrations and how many of these direct learners continue to pay for courses, which is approximately 40%, versus dropping off after the free versions. Coursera measures revenues which increase over time,19 but with heavy spending on marketing and R&D, the company has been incurring net losses.20

In the growth plan, Coursera should measure capturing category share in language learning in the K-12 space. Specifically, as we set out to close the revenue gap of at least 4%, Coursera should also be looking at reversing the net losses.

* Customer Engagement – With the current post-secondary learners as the target, having specializations that can be stacked up to a degree-bearing diploma provides learners flexibility and value-for-money. The web-based platform is straightforward enough and easy for learners to get used to. When it comes to engagement, Coursera has carefully assessed learner needs and have solutions for it, increasing their content on job-relevant courses, upskilling, etc. Metrics that Coursera has put in place for this include: learner rating (ie out of 5 stars), how many of the current learners have given Coursera 5-stars, how many new learners would enroll in a second course, how many would say they would recommend, etc.21

With the growth initiatives, these ratings do not apply as the learners are different from the decision-makers with buying power (eg parents, school education system, government, etc. Thus, in order to increase customer engagement, for the first three to five years, it is critical to establish its credibility – that is, garnering K-12 accreditation, proficiency certification, and adoption of new content and platform.

* Internal Processes – Focusing on one aspect of operations which is how the organization is structured, its dynamics and talent pool, Coursera has a functional structure given the limited offering – online education, that is – despite the richness of its content. With the growth initiatives, it is crucial to reshape the structure and milestones should include bringing in tew talent and expertise specifically on the market and industry it needs to go into.
* Learning and Innovation – the current model measure utilization of existing platform as well as partnerships with universities; the growth plan will have AI and advanced app and platform development as milestones; it would also need to measure acquiring capabilities from strategic alliances.

**Milestones and Metrics: Target for Growth Initiatives**

**Table

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