

In-House or Outsource?

Chief online learning officers'
decision-making factors when
considering online program managers

Jeffrey C. Sun & Heather A. Turner



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Executive Summary

The recent growth in online learning and the accompanying proliferation of online program managers (OPMs) occasions a need for empirical research examining the factors that Chief Online Learning Officers (COLOs) must weigh when deciding to engage with one of these third-party companies. Towards that end, the University Professional and Continuing Education Association (UPCEA) and the University of Louisville (UofL) collaborated on a study of UPCEA's COLO members to better understand their experiences when deciding whether to engage with an OPM. Through both a survey of 92 COLOs and one-on-one interviews with 32 COLOs, we identified the processes and factors involved in making this decision.

This work began through examining the services that COLOs sought from OPMs, as well as whether these services met expectations. We found that many COLOs turned to OPMs for marketing and recruiting, while far fewer sought academic and student support services. Yet while many needed marketing and recruiting from OPMs, we also found that these services were largely not meeting COLOs' expectations. COLOs who decided not to engage with an OPM largely described having adequate internal capacity and capabilities to operate their online programs. Still, some admitted they may partner with an OPM in the future due to changes in leadership and/or changes to OPM business models.

In terms of process, we identified both drivers behind considering an OPM as well as the steps typically taken in the decision-making process. Drivers were largely in response to perceived changes in online learning and/or evolving institutional needs and priorities, which included staying active in the competitive market for students. Specifically, these drivers included: reacting to competitive pressures, accessing capital, shifting risk, generating leads, investing in the future, learning and scaling, responding to campus leadership, and building upon existing efforts. Regardless of driver, many COLOs described similar processes while deciding whether to engage an OPM, and this process typically began with assessing internal capacity and capabilities for online learning before issuing a request for proposals. Once OPM candidates were identified, COLOs described interviewing and vetting potential OPMs, and, once one was selected, negotiating terms of the contract or relationship.

Top Lessons Learned

- 1. Business Model and Operational Expectations**
- 2. Key Contract Terms**
- 3. State Licensure Requirements**
- 4. Data Sharing Agreements**
- 5. Value Propositions**

We also identified the factors COLOs weighed during the decision-making process. These factors, detailed in the report, are summarized according to three questions that COLOs should consider when deciding whether to engage an OPM. Namely:

1. How well would the engagement with an OPM affect various aspects of the institution?
2. When specifically addressing leads, market, and enrollment, will the OPM meet the institution's needs?
3. How will the contractual terms benefit and reflect positively upon the institution?

Finally, while COLOs are key figures in the OPM decision process, these arrangements typically involve the input of stakeholders from across the institution. The final section of the report includes a discussion of the type of feedback that COLOs received from campus stakeholders, also framed according to the questions that COLOs should consider when deciding how they might discuss the potential OPM engagement with campus leaders:

1. At our campus, who would be representatively diverse key stakeholders impacted, or influenced by this relationship?
2. Who were their references and how well did they match our organizational characteristics? What did existing clients/universities say about the OPM? How did the OPM ensure success in other university engagements?
3. How do senior leaders measure the return-on-investment (ROI)? How could we guide their understanding about the value proposition?

We close the report with a discussion from UPCEA about the role of this research in online education and future directions for further collaborative work examining the role and work of OPMs.



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Introduction

Online education experienced substantial growth in recent years, and research indicates that this growth is expected to continue.¹ A 2022 report found that “more than half of responding [Chief Online Officers] believe that meeting the anticipated undergraduate online demand at their institutions will require realignment of institutional strategy and priorities.”² In other words, many institutions may be experiencing a gap between their current and required online programming to meet the growing student demand.

To help fill these gaps, an increasing number of institutions are turning to online program managers (OPMs) to develop, launch, and support online programs.³ While OPMs vary by the services they offer and how they structure their fees, these third-party, for-profit companies share a number of commonalities that have caused scrutiny from federal watchdogs⁴ and media outlets.⁵ Yet, despite the prevalence of OPM discussions in the media, little empirical research examines these companies and their place within higher education. Without this research, campus leaders have few resources to help them decide whether partnering with an OPM is right for their institution.

Given the high stakes involved in OPM contracts, which frequently include substantial tuition revenue share agreements and lengthy contract terms, college administrators need greater clarity surrounding the process and factors of deciding whether to partner with an OPM. That is, they must decide whether to develop or draw-on expertise in-house or outsource. The purpose of this report is to present findings from a study of chief online learning officers (COLOs) about how and why their campus decided to partner with an online program manager.

1 Quality Matters & Eduventures. (2022). Chloe 7: Tracking online learning from mainstream acceptance to universal adoption. <https://www.qualitymatters.org/qa-resources/resource-center/articles-resources/CHLOE-7-report-2022>

2 Quality Matters & Eduventures, Chloe 7, 4.

3 United State Government Accountability Office. Higher education: Education needs to strengthen its approach to monitoring colleges' arrangements with online program managers. <https://www.gao.gov/products/gao-22-104463>

4 See, e.g., United State Government Accountability Office, Higher Education

5 See, e.g., Carey, K. (2019) The creeping capitalist takeover of higher education. Huffington Post. <https://www.huffpost.com/highline/article/capitalist-takeover-college/>

Methodology

This study is the product of a partnership between the University Professional and Continuing Education Association (UPCEA) and the University of Louisville (UofL). This study began with a survey of UPCEA's COLO members (n=92) to gain a baseline understanding of their experiences working with OPMs. Thus, this study is limited to institutions that have a designated COLO role and are also members of UPCEA. For those COLOs who worked with multiple OPMs, we asked that they respond to survey questions based on experiences for the prevailing unit, although we recognize that some of these respondents answered the survey more generally to represent the institution as a whole. We followed-up with this preliminary survey by conducting one-on-one interviews with respondents who indicated they would be willing to participate in this subsequent phase of our study (n=32) to gain an in-depth understanding of the decision-making process. A further explanation of study methodology is presented in the Appendix along with sample demographics of both the survey respondents and the interviewees.

Definition of Terms

For the purpose of this study, we considered online program managers (OPMs) to be third-party companies who are contracted by colleges and universities to deliver at least one aspect of a credit-bearing program (e.g., recruiting, instructional design). Further, this study focused on OPM experiences with a revenue share agreement. Although some participants made reference to their fee-for-service arrangement in the interviews, we redirected their responses to focus on revenue share relationships. Also, this study excludes OPMs engaged in non-credit bearing arrangements (e.g., MOOCs, bootcamps) and other third-party arrangements (e.g., learning management systems) that have been previously included in other OPM reports. We specifically excluded those arrangements from the discussion to offer a concentrated focus on the highly criticized revenue share of an academic experience.

Through this work, we sought to answer five questions:

- 1. What drivers led institutions to consider OPMs?**
- 2. What was the decision process?**
- 3. What OPM services did institutions need for operating online learning?**
- 4. What factors did institutions draw on when deciding?**
- 5. What feedback did COLOs receive about potential OPM partners?**

What Drivers Led Institution to Consider OPMs?

We learned from the dozens of COLOs whom we interviewed about the drivers behind their consideration of OPMs. Here are the 8 most frequently reported drivers leading to institutions considering OPMs. The list is in order of frequency of reasons that we heard behind engaging with or considering an OPM relationship, with #1 being the most frequently reported driver.

1. React to Competitive Pressures With Speed

The COLOs described how competitive pressures manifested from observing their competitors (or institutional peers) and hearing constant news about mega-universities, and this pressure caused them to enact a different online strategy. COLOs described feeling pressured to emulate the successes of these institutions, many of which had an elevated presence in online learning, offered several program options, and provided direct and responsive student supports in a short timeframe. In many cases, the COLOs started to test the tactics they observed and mimicked the competition. For instance, a COLO expressed how “our sister and aspirational institutions” were having successes with OPMs and that COLO believed that his institution also “need[ed] to experiment with playing in what ... [its] peers are doing.” Consistently, the COLOs reported that they did not want to be left behind in the competitive arena of online learning, especially as some of them were growing so rapidly. One COLO asserted that his university was “lagging, in that [their programs] were pretty significantly behind competitors in that space.” For many, they also spoke about moving themselves away from a regional focus to a national – and even international focus, using online learning as an opportunity to extend their institution’s reach. As one COLO described, “it basically was ‘how do we build our national brand?’”

2. Access Initial, Upfront Capital

Significantly, the COLOs reported the OPM option as an approach to obtain initial upfront capital necessary to launch online programs. As one COLO described, the “cost to get someone enrolled, it’s very much front loaded,” and therefore an OPM arrangement can help defray these early costs. Stated another way, a COLO explained that “by partnering with a company that’s willing to front load their work, and then be paid off over time for that work, is very appealing.” Another COLO posed it as: “So ... the work to do it happens before...we were getting any revenue from that experience. Right?” Given challenges with higher education resource allocation and academic prioritization, this approach offers a funding mechanism for developing capacity focused on online growth without having to allocate current, and often scarce, resources to accomplish that goal.

3. Shift Risk, but Own the Relationship

Connected to the upfront capital rationale above, the COLOs made reference to “risks,” but largely these remarks related to resources, particularly financial resources. A COLO aptly noted that through the engagement with an OPM, “this is a way that we could bring on a partner who essentially takes a lot of the financial risk—and, financial investment, and helps to drive this enrollment.” The risk shifting to the OPM and away from the university represented an attractive feature for the institutions. At the same time, the COLOs reported that they generally had controls in place to drive the engagement expectations and take ownership of the relationship.

4. Generate Leads/Marketing Outlets

Across the interviews, COLOs expressed the value of OPMs as the source for prospective student leads and venues to market their programs. Several COLOs observed that the OPMs had greater expertise and a centralized model where they could pool the universities’ funds for marketing and lead generation. One COLO, who framed the OPM value in a way that echoed throughout the data, put it, “So that ... part is absolutely essential, helping us actually execute on the marketing, the branding, the awareness, all of that.” The data also showed that COLOs viewed OPMs as generally able to generate leads in program areas or attract audiences in which the university had little to no prior experience attracting. One of the COLOs explained: “asking [our university marketing team] to turn on a dime and go after a completely different persona or personas, for example, in terms of marketing and recruitment, ... would be a lot to ask.... We would need to add additional staff and so on and so forth.” The belief, or in many cases, even the actual output, led to the OPMs being able to attract those prospective students to the university as potential applicants.

5. Invest in the Future (not Miss Opportunity/Future Direction)

Distinct from Finding #1, which highlighted the universities’ response based on competitive pressures, COLOs reported their focus of considering/using OPMs to help them invest in the future of online learning. Several COLOs indicated that in order to think ahead and be prepared for demographic shifts such as the predicted 2025 enrollment cliff of high school students available to attend college,⁶ universities should consider different approaches. To those ends, one COLO stated – “that’s been part of the wake-up call, ... if you want to scale your program, and increase and attract more students to the program, [OPMs offer you that possibility].” Many COLOs referenced the need to change practices and expand efforts so they did not miss the opportunity to be present in online learning and fall behind – to a point where it would be too late to catch-up. As one COLO expressed, she viewed OPMs as a chance to “really invest in some of our programs.”

6 Kilne, M. (2019). The looming higher ed enrollment cliff. Higher Ed HR Magazine. <https://www.cupahr.org/issue/feature/higher-ed-enrollment-cliff/>

6. Learn and Scale up In-House

While all the COLOs reported lessons that they gained from the OPM engagement or review process, nearly half the universities set-out this exploration or relationship intending to learn from the OPMs with the expressed interest of figuring out what it needed to do so it could scale up or operate independently from an OPM. One COLO articulated the purpose as intending to engage in this relationship “wanting to look at how ... we [could] better serve those students so it’s not just about enrollment, but it’s about those wraparound student services that these adult learners [receive from OPMs].” The discussion with several COLOs revolved around how OPMs had certain capabilities and competencies that their universities did not, and how the COLOs were uncertain as to what policies, practices, and expectations would need to change so they could develop those capabilities and competencies internally.

7. Respond to Campus or Unit Leader

Although the interview data suggest that the COLOs largely championed the OPM exploration or relationship, in more than a third of the interviews, the COLOs referenced C-suite or academic administrators who drove the consideration of an OPM. These positions including the president, provost, and academic deans. For instance, one COLO described the influence of their provost: “we had for the first time someone in a very strong academic position, you know, our provost is essentially your chief academic officer who was advocating for online.” Interestingly (though not surprisingly), among these campus leaders at the academic dean level, all were within professions-based units such as business, information technology, engineering, and social work. One COLO characterized the academic deans as holding significant weight in this process: “So it came down very much to the deans— their individual preference and belief in online education ... and the value and potential of online education. If the dean didn’t believe in it or ... couldn’t be persuaded by others, then it wasn’t going to happen” with having an OPM engage with that unit.

8. Build off Existing, Complementary Efforts

In some manner or another, all the COLOs spoke about connecting their existing efforts or framing OPMs as a complementary engagement. However, nearly a third of the COLOs identified ways in which they could use existing relationships or initiatives, particularly in the area of non-credit learning, with the OPM to advance their market position in a substantial manner. For instance, one COLO mentioned that university team’s conversations about converting learners of nondegree, Massive Open Online Courses (MOOCs) to online degree students. “You had those students [who] were just taking it for free ..., and then to get into the degree program, you were probably seeing about 100 applications a year ... and they already have advanced credit” so these learners would likely finish. Another university recounted their connecting MOOCs to credits. “We started to get inquiries from students who said, ‘I see a course in the MOOC platform that has the same name, the same faculty member, the same syllabus as what you offer in your course catalog. Can I count it for credit?’” While the conventional answer was “no,” the COLO described her university’s approach: “Our faculty took it upon themselves to say, ‘why not?’ and our faculty [in one program] went a step further, and said, ‘Well, could we actually create a degree in this fashion?’” In several instances among the COLOs we interviewed, the MOOC relationship led to an OPM engagement.

Section Concluding Remarks

Competition, capital, risk shifting, and lead generations consistently echoed the recordings of our COLOs. These factors played an important part of why COLOs entertained engaging with OPMs. There was general agreement that OPM partnerships can help expedite online growth and attract untapped student populations. They are able to do so both through providing the funding necessary to develop and scale online programs, but also through helping institutions attract untapped student populations via targeted marketing and recruitment and tailored student services and supports. Now that we have established the why behind many of these partnerships, we turn to the how and discuss the decision process for partnering with an OPM.



What was the Decision Process?

Across the interviews, the COLOs reported a fairly consistent approach to describe their decision-making process of whether to engage with an OPM. In this section, we present the four primary steps that the COLOs described.

1. Assess Internal Online Learning Operations

In every interview, the COLOs articulated some type of assessment or review of their online learning operations. Several of the COLOs referred to a needs assessment, but the analysis often consisted of several components. This process frequently began with examining the university's vision or strategy of online learning to determine if any gaps existed between the current operations and the envisioned operational levels. However, nearly a third of the COLOs interviewed admitted that the university did not have a clear vision or strategy for online learning. Still, every university reported the assessment or review of their online learning operations as detailing the capabilities, including infrastructure and expertise, and capacity to grow in enrollment, expand in number of programs, and offer the quality of student supports the COLOs believed was necessary to recruit, retain, graduate, and obtain referrals from their online students and alumni. As one COLO put it, "So really, you're looking at the overall picture, and doing kind of a gap analysis for your campus: Where do you have strengths? Where do you have weaknesses?"

2. Announce Request for Proposals (or Expand Relationship With an Existing OPM)

Typically, each campus conducted some type of request for proposals (RFP). However, several COLOs indicated that in the early period of OPMs, universities rarely had an RFP process. Instead, the universities would simply expand services with a provider in which it had an existing relationship. To illustrate, a COLO noted how "we started out with a fee for service [model] with our non-credit [unit], and we evolved into a tuition share for the credit programs" with the OPM. Similarly, they would contact a provider with which an online learning staff member had worked previously – when that person had been employed at another university with an OPM engagement. As a COLO mentioned, "there wasn't a lot of entertaining of other OPMs at that particular point because of this particular person's previous experience." While these instances of a more informal proposal-seeking process took place, most campuses admitted that a formal RFP process is more conventional today, and many COLOs detailed their process. A COLO expressed the basic sentiment among the interviewed participants: "let's put out a call for RFP. We're not just going to basically go with the first person who approached us and so we put out a call."

3. Evaluate Options, Interview, and Vet

Once potential OPMs were selected, COLOs described a thorough selection process, typically beginning with a review of the proposals. Although the extent of these reviews varied, one COLO's remark of "let's get a cross representation of key stakeholders into a committee" generally reflected the comments across the collected data for this study.

Subsequently, the COLOs mentioned having presentations from OPM representatives (or the “sales pitch”). This step also included interviewing the prospective providers. Many of the COLOs with full selection processes engaged in office visits and conducted some level of interactions directly with the service team. They noted that the OPM sales representative was often not the team with whom the university would be working each day, so many universities met with the service team to get a sense of that team’s style and operational expectations. As one COLO described, part of the evaluation includes “personality. It does come down to personality. It’s ... like hiring; you have to want to work with ... this person or this team on a regular basis. You’re going to be working with them, at least weekly, sometimes daily.” Thus, the relationship between parties is often deeply explored during this step of the process.

4. Negotiate Terms

As the final step in the process, COLOs described the rounds of contract negotiations with an OPM as an iterative approach. As one COLO explained, “You know ... it went from a dense jungle to a machete trail to, I’m not saying we have a paved six lane highway now, but you can imagine, each subsequent conversation and partnership [development] was easier because of the preced[ing] ... experience.” Capturing the sentiments of most of the COLOs, another COLO conveyed her message more directly expressing, “if somebody tries to sell me an off-the-shelf solution, I usually walk away from that.” Although the negotiation exchanges were extensive, some COLOs expressed that the follow-up “communication, engagement, reflection, those kinds of things” were not always meeting the universities’ expectations. Most of the COLOs felt that those constant exchanges, beyond the reporting requirements, were challenging to maintain in many instances. One COLO candidly expressed, “I don’t know if those [expectations] necessarily have to be built into a contract.” Nonetheless, as one COLO frankly framed and reflected the comments of several, “we haven’t been completely successful in doing that. There seems to be openness on behalf of the OPMs to do that” continuous interaction to calibrate the working arrangement. However, as most COLOs stated, an explicit set of terms and expectations must be outlined.

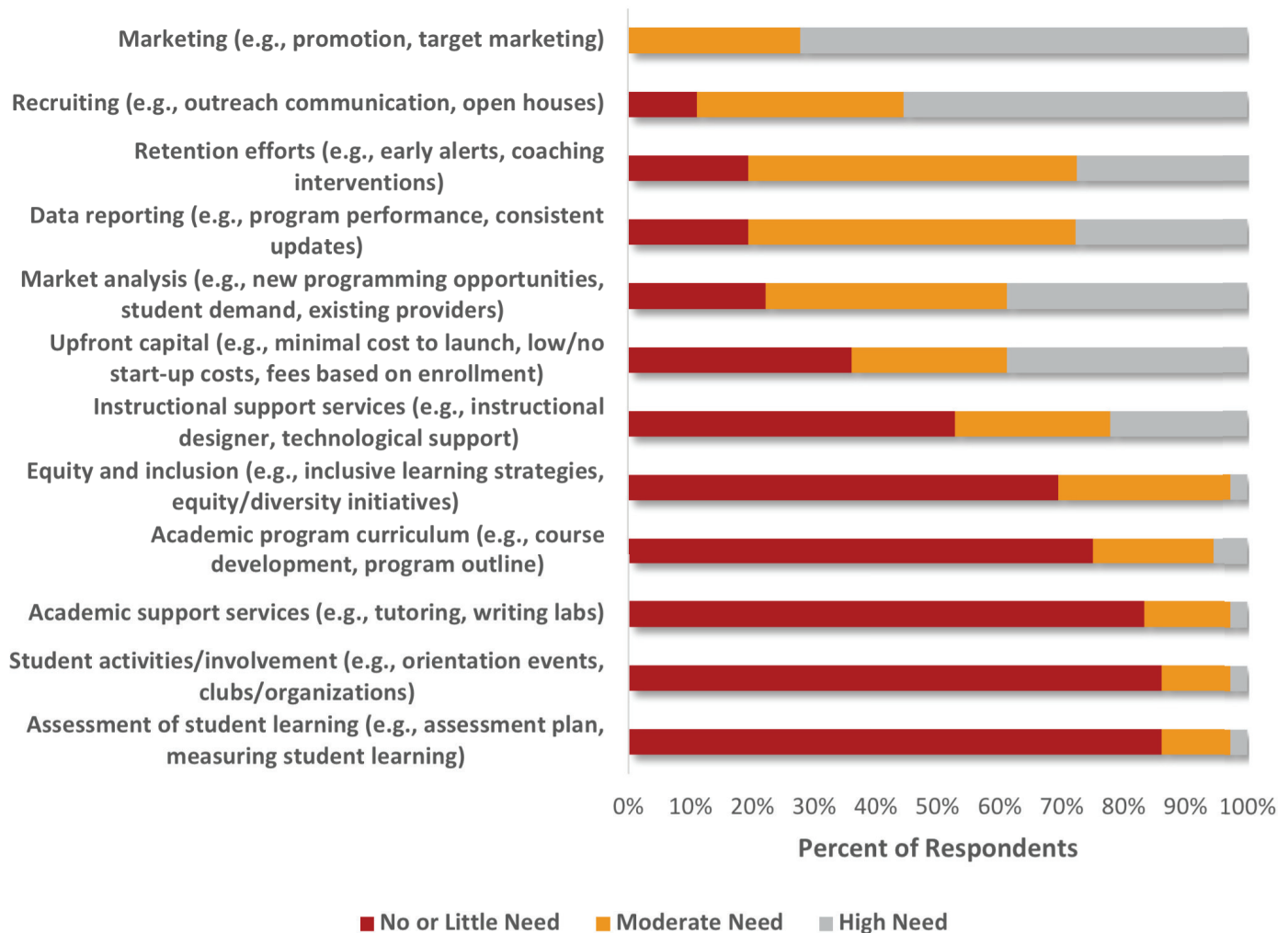
Section Concluding Remarks

As OPM partnerships have become more common, the process for selecting an OPM appears to have become increasingly standardized across institution types. Given the variance in OPM companies, it is not surprising that many institutions are considering several potential partners and weighing their options carefully before entering into a revenue share agreement. Throughout this process, COLOs stressed the importance of realistically assessing your current online learning operations, vetting the OPM options with due diligence protocols, and negotiating the terms of the contract as a series of interactions to ensure contingencies and test interactions. Many of these terms are contingent upon the services the OPM will provide, and in the next section, we review which OPM services are most in demand.

Which OPM Services do Institutions Need to Support Online Learning?

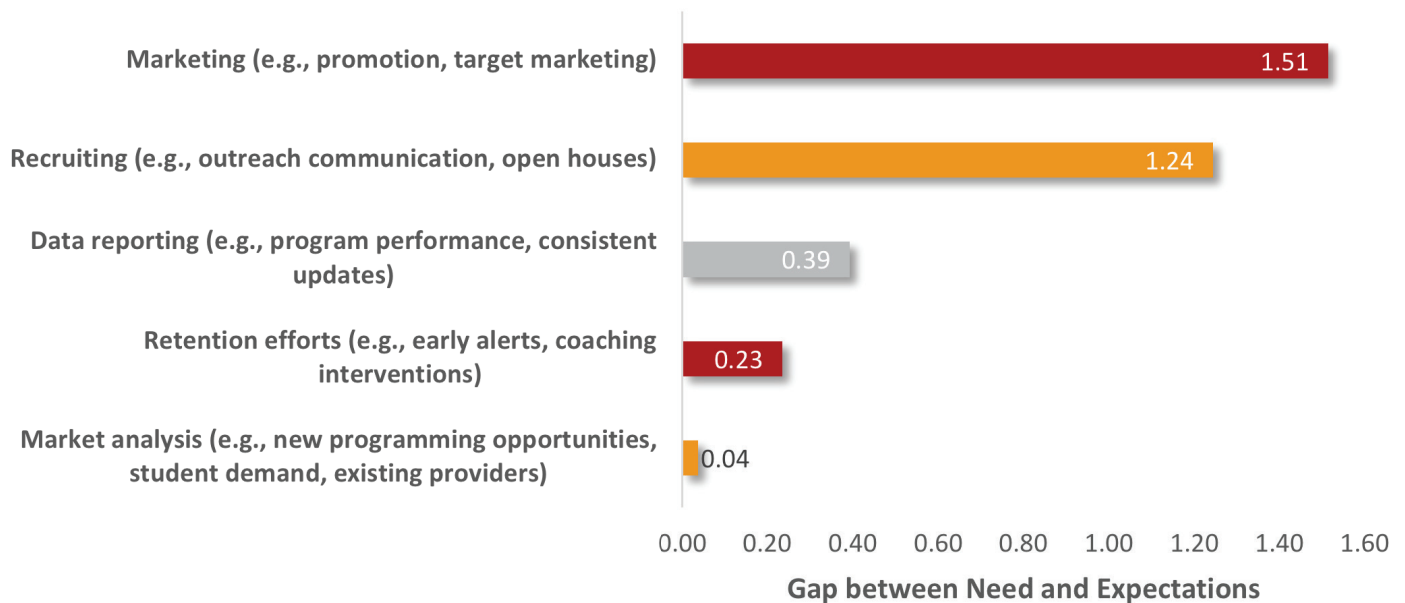
Building upon our earlier discussion of drivers for OPM partnerships, we turn now to survey data which elucidates the primary services that COLOs are turning to OPMs to provide. On the survey, we asked COLOs who currently or formerly worked with an OPM (n=36) to rate their level of need for services standardly offered by OPMs (e.g., marketing, recruiting, instructional support services, data reporting), as well as whether the OPM had met their expectations for providing these services. Specifically, we asked participants to rate their level of need on a 5-point scale, with 0 being not needed at all and 5 being essential. Figure 1 presents the level of need for OPM services according to the percentage of respondents who indicated whether they are not needed (0 or 1 on the scale), moderately needed (2 or 3), or highly needed (4 or 5). As shown, respondents had high levels of need for enrollment services, such as marketing and recruiting, but very low levels of need for academic and student services, with instructional support services presenting mixed results.

Figure 1
OPM Services by Level of Need



We further asked participants to rate these same services based on whether the OPM had met their expectations for providing them. We then conducted a gap analysis to identify which services had high levels of need yet low levels of met expectations. Figure 2 presents the results of this analysis and shows the gap between need and expectations. For example, results indicated that the need for marketing is 1.51 points higher than the met expectations for marketing on a 5-point scale, indicating that many COLOs are not having their marketing expectations met through the OPMs.

Figure 2
Gap Analysis Where Need Exceeds Expectations



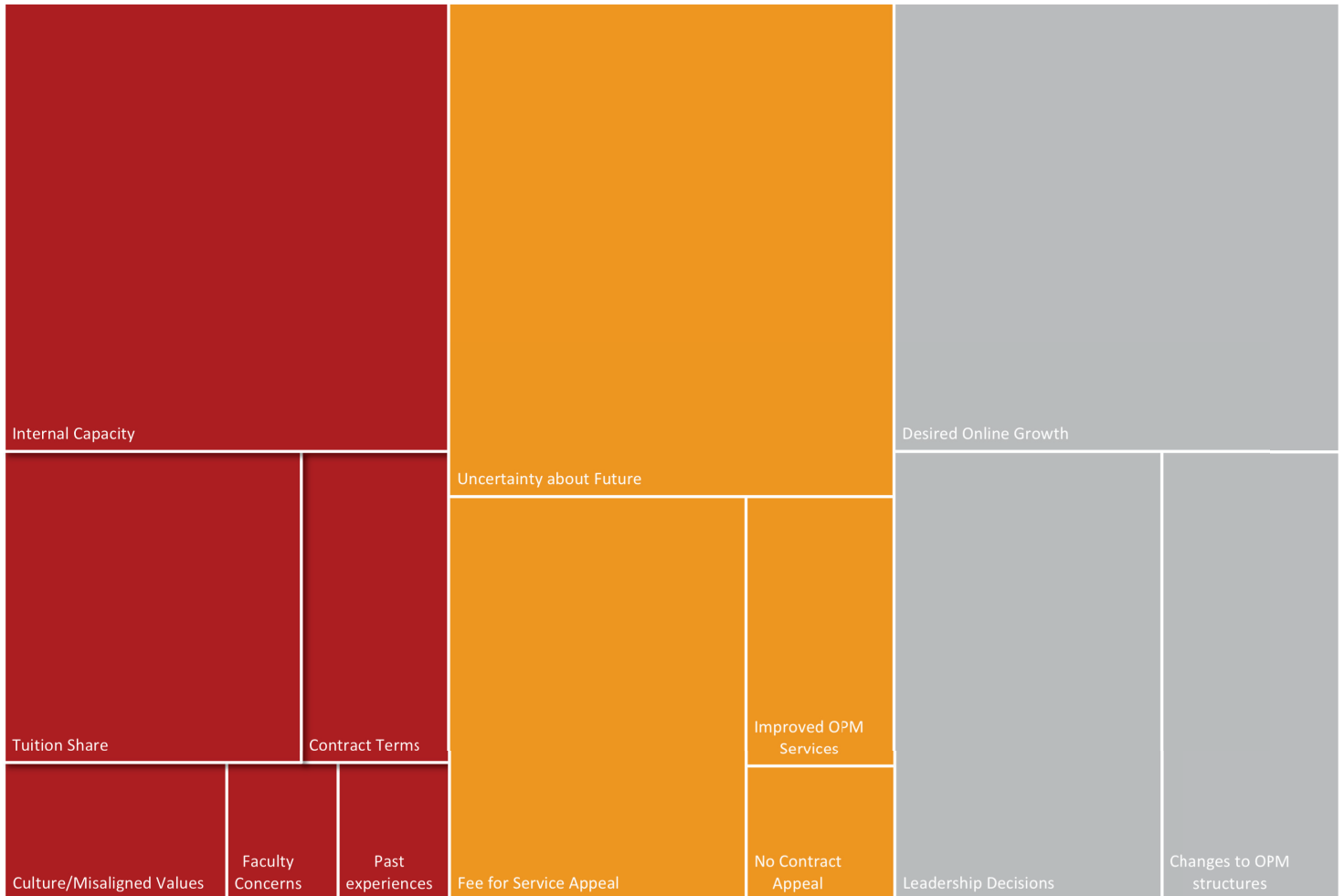
For those survey respondents who did not currently or formerly work with an OPM at their current institution (n=56), we asked whether they would consider working with one in the future and what factors drove this decision. Respondents largely indicated that they either would not partner in the future (38%) or they were unsure about future partnerships (42%). Only 20% of respondents believed they would partner with an OPM in the future.

Figure 3 shows reasons that respondents gave for their future partnership decision. As shown, responses are presented according to whether COLOs believed they would or would not partner with an OPM in the future, and the factors in the boxes are the reasons they have made those decisions. The size of the boxes corresponds to the frequency of the response. For example, those who believed they would not partner with an OPM based this decision largely on the institution's internal capacity for operating online learning, while those who were unsure or thought they would partner in the future desired online growth and thought OPM services and fees were evolving in a way that might be more congruent with their goals and budgets.

Figure 3

Future OPM Partnership Decision Factors

■ No - We will not partner ■ Unsure - We may partner ■ Yes - We will partner



Section Concluding Remarks

While institutions turn to OPMs for a variety of services, many COLOs described looking for them to address needs around increasing enrollment, attracting new student populations, and retaining these students through graduation. Yet OPMs are not always able to deliver these services in ways that meet the expectations of those partnering with them. The gap between expectations and reality may help explain why many COLOs from institutions that have the internal capacity and capabilities to provide these services in-house are less likely to consider an OPM in the future. At the same time, COLOs largely acknowledged that OPMs are capable of providing the online growth that they seek. We delve deeper into these issues in the next section, in which we turn to qualitative interview data to better understand the factors that COLOs draw on when deciding whether to partner with an OPM, which highlights how speed, capital, and business model learning play significant roles in COLOs' decision making.

What Factors did Institutions Draw-On When Deciding?

When analyzing our data, we saw how COLOs presented lessons and advice, which could be used as a guide for other campus leaders deciding if they wanted to engage with an OPM, so we posed to the data: “What factors did the COLOs actually use or recommend using as part of their decision-making of whether to engage with an OPM?”

The decision-factors that emerged from this analysis comprise the most substantial portion of our findings, and thus we present this section divided according to a series of sub-questions. These questions are formatted as a checklist which campus leaders may use when considering whether to use an OPM, as well as for the selection process associated with that decision-making. These questions are formatted according to three areas:

1. How well would the engagement with an OPM affect various aspects of the institution?
2. When specifically addressing leads, market, and enrollment, will the OPM meet the institution’s needs?
3. How will the contractual terms benefit and reflect positively upon the institution?

How Well Would the Engagement With an OPM...

1. Align With the Institution’s (as Well as Unit’s) Mission, Values, Identity/Brand, and Vision?

The organizational “fit”—often described by the COLOs as an organizational alignment, bridge, or relationship—represented one of their foundational inquiries. Among most of the COLOs, these terms were often referenced with dating and marriage metaphors to symbolically explain the significance of the relationship. The COLOs mentioned that the alignment of the OPM engagement had to fit the university’s essence, which included the mission, values, identity/brand, and vision. Many COLOs would contextualize their university, such as its undergraduate focus, research-driven identity, or STEM centered majors, as descriptors associated with their identity and brand, which they often wanted to continue or ensure that the OPM aligned with that identity. One COLO explained how the campus leadership expected “hearing and talking about the commitments and to our brand” from the OPM team. They wanted to hear of the OPM’s “willingness to really understand what we value, our value proposition as an institution, our mission, vision, all of that.” Another COLO expressed the expectation that the pitch and proposal aspects demonstrated a customized approach for the university.

2. Expand Capabilities/Expertise of the Institution's (or Unit's) Online Learning?

Entertaining an OPM is often associated with expanding an institution's capabilities for operating online learning– or the competencies, expertise, and infrastructure needed for such an effort. As one COLO identified, “just recognizing it'd be very difficult to first build ... and ... then launch a program” was challenging, but an “OPM was a way to get off the ground and scale it ... which would be impossible to do it on our own without the expertise in place.” More concretely, another COLO outlined the capabilities needed at the university, “really looking at someone who could ... provide all of the services that we needed from the marketing recruitment to the LMS, the instructional design component of it, so it was a really breadth of ... skill sets that we were looking for.” Several COLOs admitted that their campus was, at the time when they were considering an OPM more than 5 years ago, fairly new to online learning or had a very limited portfolio. Reflecting on that initial OPM contract that took place half-a-decade ago, one COLO explained, the campus need for “expertise [because] we didn't ... know how to do online” to the extent that mega-universities and more mature online programs had in-place.

3. Resolve Capacity Challenges With Expansion and Related Growth Matters Related to Infrastructure and Resources?

With the expectation of enrollment growth and expansion of new programs, COLOs reported capacity challenges with their existing team. One COLO recalled evaluating campus online learning capacity: “And building in that workload, down the road, like, these students are going to want an advisor, they're gonna want to talk to somebody they want to ... feel connected to the program, they want to feel connected to the institution. Who's doing that work? And so it's not just, 'oh, we now ... have 200 extra students and we're doing it with the exact same staff that we had before ... we launched an online program.' That's not a realistic expectation.” Thus, an OPM offered the capacity solution. One COLO felt that his campus offered quality online learning, had the staffing expertise, and infrastructure, but his campus had no more capacity for expanding “sound instructional design practice ... in resources that are there, but ... we don't have enough capacity.”

4. Develop Appropriate Levels of Independence From the OPM in Order to Increase Negotiating Leverage and Avoid Dependence?

All the COLOs mentioned areas of improvement through considering and/or using OPMs. However, several COLOs referenced building capabilities through service expertise and infrastructure as well as capacity through staffing and other resources, so the online learning operations increase its in-house operations. As one COLO recognized, “And so once we get organized around these new models, I could see our institution, frankly, using OPMs only in a very strategic manner, not in a blanket manner.” In short, the COLOs expressed their desire to become less dependent on the OPM or position themselves to have more negotiation leverage.

5. Offer Scalability in a Deliberate and Responsible Manner?

The COLOs expressed interest in scaling programs in a deliberate and responsible manner as a reason to potentially engage an OPM. A representative quote from a COLO explained: “in this particular space, ... you can gain some real efficiencies and opportunities that make the overall learning experience better, which in the end benefits internally, but also benefits the learner.” Oftentimes, COLOs expressed interest in developing and deploying new programs, but to make it feasible, scalability was critical so the effort could ramp-up more student supports, program offerings, and other benefits to the students and institution. This scalability was particularly important given that many COLOs were concerned about the timing of launching their programs and saw value in getting into the market quickly. One COLO described this goal to “build out programming and get into market much faster than they would have or the university would have been able to do on their own.”

6. Integrate With Existing or Present a New, Desired Platform and Other Technologies?

Among slightly more than one-third of the COLOs interviewed, an OPM engagement consisted of significant considerations around platform choices, interoperability, and related technology alignment. COLOs were sensitive to needs of end-users such as students and faculty, and they were very cognizant of the technology tools, which feed to each other such as early alert and billing data. Capturing these discussion points, one COLO raised a multi-part question – “what’s the platform that you’re going to deliver this experience on ... beyond [the] learning management system platform? Who’s going to support that? So what’s your educational technology and your IT infrastructure?” Another COLO disclosed that the OPM “had technologies in the platform as well as capabilities in their talent base that we ... did not have,” so that consideration presented a very attractive offering for the engagement. Further, costs of growth are assumed, but a COLO raised the issue that universities have to calculate what the “increased technology costs” will be to properly factor whether to outsource or in-source. As one COLO emphasized, “we required both the technology as well as the human talent to make [this relationship] happen.”

7. Connect and Offer Continuity With Other Campus Services and Supports?

Most of the COLOs, particularly those leaders who opted to separate from an OPM or not entertain an OPM, raised that an arrangement with an outside provider may become “confusing for the student experience.” The COLOs expressed interest in thinking holistically about what the students have available, and they echoed among the interviews that the student experience must ensure connections and continuity. As another COLO emphasized, “it’s not just about enrollment [when considering the OPM], but it’s about those wraparound student services that these ... learners” experience – whether offered through the OPM or the university.

Several COLOs highlighted the design of the OPM relationship with the campus as a seamless exchange between the OPM and other campus services and supports for online learners. To do so, one COLO made clear – “So things like the controller, the bursar’s office, [require us to ask,] so what does this mean in the form of tuition and student payment and handling of student accounts? What does it mean, from the registrar’s perspective? What does this mean from financial aid’s perspective? Then there was a convening of ... all the major student supporting units inside an institution.”

8. Respond to Other Items on an Online Learning Operations Assessment?

As mentioned earlier, all the COLOs emphasized the significance of the institutional identity and context, including mission, vision, values, and brand. Yet, beyond these larger organizational considerations, the COLOs also noted the need for OPMs to respond to unique institutional and programmatic features that emerged from the online learning operations assessment. For instance, several COLOs identified spending restrictions on certain fees, making them ineligible for the university or the OPM to use them for purposes not directly related to instruction. Another COLO illustrated her unique needs for the OPM to employ a better learning management system, and another COLO needed greater interaction with the faculty to offer more innovative program design options. Several COLOs reported that they had to demonstrate a proof of principle by achieving small wins or successes as a condition to determining more extensive contracting. One COLO admitted that “we want to see this thing viable and turn a corner” within a rather quick timeframe to determine if this relationship was viable. For several universities, that outcome showed the OPM was responsive to their online learning operations assessment.

Section Concluding Remarks

When deciding whether to partner with an OPM, COLOs emphasized the need for the relationship to create a seamless union with their institution. Blending with the institution in this way requires the OPM to represent the institution’s brand and values accurately, integrate with existing systems, and provide students with a high-quality online learning experience through addressing capacity and capability gaps. While COLOs largely discussed needing high-levels of cohesion to create a unified student experience and lessen the burden on faculty and staff, COLOs recommended campuses planning to use an OPM to evaluate current practices and systems, if the current ways of operating are not fully serving the needs of online learners. In the following section, we further explore factors that COLOs weigh in the decision-process through examining two of the most needed OPM services: marketing and recruitment.

When Specifically Addressing Leads, Market, and Enrollment, Will the OPM...

We heard quite consistently that the most significant contribution of OPMs has been their efforts in marketing and recruitment. One COLO reflected on the capabilities and capacity at her university through a clear division of labor approach by expertise. She stated, “marketing, recruiting, enrollment” are the pieces that are best positioned for the OPM, and “we, [the university team,] do student success, and all the instruction, all the instructional design.” The clear demarcation was not always as evident at the beginning of these relationships. One COLO candidly articulated, “Initially, ... they provided upfront capital, they provided instructional design, they provided production support. Now, every single one of our OPM relationships is really marketing, student recruitment, and student retention.” While most of the COLOs articulated the emphasis on the enrollment funnel stages from the onset, several others, including the COLO referenced here, expressed shifting their focus on this area as a key component to their ongoing relationship. Given the pattern in the data, we identified the salient points raised so COLOs and others participating in the OPM decision-making process have a resource to guide their decision making.

1. Respond to Market Focus (e.g., “Some College, no Credential” Population)?

COLOs emphasized their institutional characteristics often with pride and brand considerations to uphold. They reported quite consistently engaging with an OPM to advance their market focus. The COLOs were generally interested in pursuing a specific market focus. For instance, several COLOs mentioned the pursuit of online graduate education. As one COLO described, “we are an institution that is very strong in the on-campus undergraduate space, and much of our infrastructure that would be used or could be tapped to support online graduate programs” needed to be explored with the OPM. One COLO explained that even if he was at an institution who did not use other OPM services, he would still want to utilize OPM marketing services: “I would still like to partner on the marketing and some of that additional market analysis that I would still want to get those insights from somebody else.” In short, many COLOs who used an OPM, recognized the outsourcing value to address a specialized purpose or reach a target market.

2. Present Leads who Will Have Interests in the Program(s) and be Largely Qualified?

As the data uncovered, COLOs face limited marketing budgets, which often hamper lead generations. Putting it bluntly, one COLO captured the realities describing the situation that many reported: “Here [at my university], the[re is a] finite cost; it costs X amount to advertise on Google for this amount of time.... It costs X amount for us to provide services when the calls first come-in to answer those calls and to then disseminate those leads eventually.” Several COLOs complimented the OPMs in their ability to stretch those dollars or generate more dollars when aggregating multiple institutional contributions. Expressing a general observation captured among nearly 70% of the interviewees, one COLO explained that OPMs “were able to really capture those costs” making the money work through generating quantifiable applicant-yields.

While the sentiments were generally positive about lead generations from OPMs, about half did admit the OPMs overestimated numbers, and several cautioned that the leads may not be “qualified leads” or vetted leads such as prospective learners who are admissible or appropriate for their programs. Several COLOs also took a realistic view of the financial and operations models associated with this arrangement acknowledging, what one COLO expressed, as “we essentially are ... competing with [each] other.” Further, we heard suspicions whether the OPMs that pooled funds from multiple institutions might lead to repetitive data, essentially a black box of prospective students that could be assigned to any institution, indiscriminate of student desire or intent. As one COLO posed the question, “are we just getting ... borrowed leads from another institution?” Still, the data overwhelmingly demonstrated that the OPMs provided COLOs a significant source of lead generations that the COLOs would not have otherwise had.



3. Resolve Capacity and Capabilities Challenges With Expansion and Growth Matters Related to Infrastructure and Resources?

While capacity and capabilities are not enrollment and marketing matters, per se, the COLOs frequently emphasized how this area of an OPM arrangement reflected the greatest impact on how the COLOs analyzed impacts on their capacity and capabilities. As one COLO remarked, “the amount of investment that’s necessary, not just in terms of direct marketing [and] recruitment [activities]” is astounding to many programs. He added, “but in terms of human capital, ... that’s necessary” to achieve the marketing impacts and recruitment outreach desired. Several COLOs cautioned that universities must be prepared because that level of commitment to market and recruit “is extensive. That takes a lot of people to successfully run these programs” and a comprehensive approach is required to make it happen.

Many COLOs admitted marketing and recruitment as areas in which COLOs would help their online learning operations build capacity and capabilities. As another COLO explained, “marketing and recruitment is not something that we feel we have historically had a great strength on. And we’ve traditionally invested very little in it and have very little expertise in those areas. And for our current in-person programming, it doesn’t benefit from ... investing significantly more [when], in fact, our applications keep rising. We have more applications for undergraduate programs [than] we’ve ever had before, and our acceptance rate is remarkably low.”

Thus, the COLOs repeatedly emphasized skill sets, infrastructure, and number of people required to build this area as something they have never done before or fully understood. One COLO recommended that “the most successful [marketing/recruiting efforts] tend to be ones ... that have people dedicated to a specific program” recruiting and responding to potential applicants. Based on thoughts from the COLOs, several models appear viable, but ultimately, most of them reported capacity and capabilities as challenges, and several COLOs concluded that they may continue focused services on marketing and recruitment from an OPM even if they discontinue or reduce other services, such as their existing full-service revenue share contract.

4. Conduct Recruitment in an Appropriate and Learner-Centric Manner, Apply Applicable Laws, and Attract a Diverse Pool of Applicants?

Just over 40% of the COLOs participating in the interviews noted the OPM's role of recruiting in an appropriate, learner-centric manner, such as reaching out to persons who would be interested in the program or university in ways appropriate for non-profit institutions. As one COLO framed the concern, universities have an interest about their image and brand, which includes ensuring that OPMs are "not using high pressure sales tactics on learners." At the same time, COLOs sought to promote their offerings to advance equity and access. In particular, they emphasized their interest in attracting a diverse pool of applicants – including racial/ethnic diversity as well as geographically diversity. As one COLO described these interests, "we want to increase access to programs at [our university] to those who wouldn't otherwise be able to participate in them in their current formats for any number of reasons – either because we have a limited number of spaces or because the format isn't flexible enough to meet their needs. We really want to reach more people and reach more diverse audiences." Similarly, another COLO described that "equity and inclusion is important to our campus, so we tend to have equity and inclusion goals around those enrollments. It's not just a number of students, but we want to ensure that we're reaching diverse populations."

Further, COLOs often remarked about extending their reach to other markets. For some, that means moving beyond a regional scope for students. As one COLO explained, his university sought to move from a regional to national brand, but he also disclosed, that "even if it's not national, maybe, ... it's just in Florida, or just in Texas" but the OPM would expand the campus scope perhaps to "some of the bigger population states." In addition, the COLOs reported the significance of the OPMs complying with state rules around matters such as state authorization and state licensure requirements. For three campuses, the COLOs reported being surprised that not all OPMs were as familiar with the degree of state oversight on higher education, particularly in fields such as social work and nursing.

Section Concluding Remarks

As with the survey, the interviews revealed that marketing and recruiting functions were some of the services that COLOs needed the most when they considered an OPM partnership. This section built-upon survey findings by identifying some of the issues that COLOs encounter when utilizing OPMs for these purposes. Specifically, the ability of OPMs to tailor marketing to the institution's needs or new student populations, engage students in ways appropriate for the institution's brand and reputation, and present qualified leads for recruitment were common issues of concern when contracting out these services to OPMs. Yet despite these challenges, COLOs also widely acknowledged that OPMs had a knowledge base around marketing and recruiting approaches that many colleges and universities simply do not have. In the next section, we close out our discussion of decision factors through looking at the contracts terms that help ensure these services are provided in ways beneficial to the institution.

How Will the Contractual Terms...

In this section, we offer a series of questions generated from the data in which COLOs highlighted as concerns or needed provisions within the OPM contract. Across the items raised, they addressed clear delineation of terms based on treatment of measures, agile and responsive actions, and regular communication. In addition, they articulated awareness and special provisions to consider within the services and contractual scope; service level terms; fees, payment, and penalties; contract duration; representations, warranties, and liabilities; rights and restrictions; performance monitoring and audit procedures; termination; transfer and assignment; and confidentiality.

1. Reflect Customized and Responsive Designs and Needs for the University?

The COLOs emphasized that the scope of the contract and service level provisions should reflect customized and responsive designs and needs for their particular universities. For a handful of COLOs, that customization was not always apparent in the contract language. As discussed earlier, this entails that the recruiting team must capture the essence of that institution in terms of its mission, value, and brand, and that prospective students sought must follow the institution's strategy (e.g., some college, no degree applicants). Across the COLOs, they acknowledged the extensive negotiations to ensure the fit for the university. As one COLO described the process when speaking about the interactions with the OPMs, "I want you to lead me to your product. Let's talk about it. Let's examine it." Like the other COLOs, this campus leader expected the OPM to be familiar with the university-client. "Know our student demographic is very different than somebody in the [mountain region]. I want something customized to my students." Equally important, the COLOs described needing to include provisions that would permit the university to pivot the engagement in response to new or emerging markets and new approaches to serving students. They cautioned, however, that there needs to be role clarity throughout this process to maintain accountability. One COLO warned that institutions should not "relinquish your institutional responsibility," and another echoed this sentiment: "we're meeting those objectives and that they're meeting their objectives."

2. Address Performance Obligations and Targets, Including Penalties?

The COLOs routinely reported that the OPMs overestimated their performance targets such as number of applicants and number of enrolled students in a quarter or year. The COLOs typically referenced a payment schedule based on the actual numbers as the primary source of accountability. That is, the OPMs were rewarded based on performance, but most of the COLOs wanted to hold the OPMs with greater accountability such as penalties for underperformance of their forecasted enrollments especially as institutions relied on these numbers for budget planning. As one COLO explained, “now, there’s a whole ... fiscal and budget implication and model” that plays into the projections and planning. To those ends, COLOs emphasized the importance of outlining the data reporting obligations of each party, frequency of data reviews, and payment schedules that align with the academic periods. Specifically, several COLOs described instances in which the data reporting and funding occurred on a quarterly basis, but for a university, a schedule that aligns with the academic year and enrollment offerings (e.g., semesters) would have been more useful to capture the correct headcount and properly evaluate progress. For example, one COLO described, “at the end of the year, we would – [though] really ... at the end of each semester, we calibrate.” Also, “we look at what are our revenues. What are our expenses? What are the enrollments? What has the growth been from year to year.”

When articulating contract terms that outline the performance measures under the service level provisions, COLOs noted that the treatment of the data and costs of the services must be clearly defined beyond the traditional recruit and enroll process. COLOs warned of the considerations at phase-out, cancellation, modification, and contract disposition changes. Several COLOs referenced identifying use-case events so the lawyers understood how to craft the provisions. For instance, one COLO described when “we did pause enrollment.” He surmised, “I don’t know if that was a function of the OPM or just ... now having about two or three years’ worth of data and seeing ... the markets responding.” He disclosed that the contract did not have sufficient explanation on how to handle the closing of the programs. “There were no penalties ... in the sunset, essentially what we continue to do is honor the contract.” Therefore, if the OPM recruited “a student, the revenue sharing continued.”

3. Maintain Consistency and Uphold University Image?

The institutional image and consistent service quality emerged as significant areas of concern within the contract terms. COLOs hold strongly that the OPMs’ decisions and behaviors reflect the university. One of the COLOs framed the image concerns noting that “the kind of reputational damage that some of these relationships could cause” could harm the institutional brand. Several COLOs raised concerns about vetting the OPMs thoroughly to avoid an incident of pressured sales tactics to recruit students. The COLOs also raised the consistency and image concerns when describing winding down the OPM engagement or sunseting a program. Some of the COLOs observed and several others feared the possibility of OPMs failing to perform or support the students at the same level when a contract cancellation, expiration, or program dissolution was impending. These COLOs suggested including a provision in which the OPM agrees to perform all services at the same level of skill and expertise either as outlined in the contract or following industry standards.

In their minds, when OPMs fail to carry out the services in a consistent manner or behave in a manner that compromises the university image, the OPMs should incur a financial penalty. As one COLO posed, “what happens, if for some reason, you need to exercise [your exit] clause in the contract that allows you to end it? Are you prepared to take that on and do no damage to your students? ... How are we prepared to deal with that?” Numerous COLOs recommended embedding more checkpoints or remedial activities when the service quality or performance goals drops. Put simply, the COLOs cared about their outward view that others saw and the students’ experiences, so when they are compromised, COLOs sought recourse, particularly through financial penalties.

4. Avoid Restrictive or Limited Rights to the University?

The negotiations with OPMs reminded the COLOs about the different organizational goals between a nonprofit university and a for-profit online program manager. COLOs encountered instances in which OPMs sought contractual clauses that restricted or limited their rights. Not surprisingly, COLOs disagreed with these clauses, particularly terms on exclusivity rights for the OPM and intellectual property rights granted to the OPM. In most instances, OPMs presented the university with the exclusive rights to provide certain programs at the university or serve as the exclusive OPM for the university. Put simply, that clause locks the university from considering other OPMs during the contract duration. For instance, a COLO working with his college of business was presented with an exclusivity clause to deliver a data analytics program. The COLO observed that “exclusivity tends to be a pretty common practice in these contracts.” However, he had to consider the university dynamics stating: “we were decentralized,” so if one college signed on-behalf of the university, the other units at the university would have been subject to the defined recruiting strategy, enrollment numbers, reporting, and content approach. Thus, he saw the drawback of including this clause.

Another example of what the COLOs identified as a rights limitation clause is an intellectual property provision that grants OPMs ownership. Nearly all the COLOs who discontinued or never opted to use an OPM and about a third of the COLOs with OPM engagements highlighted concerns around this clause. The intellectual property could include promotional materials, program processes, course content, and program design. One COLO presented the concern quite candidly expressing “we couldn’t give away 30% and 60% of our revenue, and [then] ... give away our intellectual property.” A different COLO who inherited an OPM engagement asked: “Who owns the leads generated and other sources?” Quite significantly, the COLOs conveyed that an intellectual property clause granting the rights entirely to the OPM is ill advised.

Further, several COLOs cautioned against assignment or transfer of rights clauses. The trend for small OPMs to be absorbed by larger corporate OPMs is a real problem that COLOs acknowledged. The COLOs who raised this matter uniformly suggested against an automatic assignment or transfer to the new company. They recommended the OPM change should trigger a contract cancellation or renegotiation.

While the COLOs expressed caution around adopting restrictive or limited rights to the university, the COLOs did mention the need to adhere to state and federal laws on data privacy, notably student records especially when some states have very restrictive data sharing agreements and cybersecurity regulations are tightening these compliance requirements.

5. Outline Termination or Modification Triggers?

COLOs expressed how the contracts clearly outlined many aspects of the service level agreement and performance achievement levels, but the contracts generally lacked clarity on activities or behaviors leading to termination or contract terms modification triggers. For instance, one COLO asked, “when enrollment goals or other deliverables are not met or if [it’s been] longer than 2 years, how will the KPIs, updating of services, or adaptability of the terms be addressed accounting for changes in the market, including student expectations, or what will happen when practices or services change due to technology?” Similarly, another COLO asked, what happens when “changes in the market or arrangements or performance” occur? Several COLOs had accounted for these events. One COLO described, “all of our contracts had an exit clause or a series of exit clauses, depending upon what may or may not happen. And one of those was if the company got sold, or if the company became financially insolvent, then it reverted to us with some time period that the platform had to remain live so that we could do a transition.”

Other COLOs also advised that they had built-in shorter terms for reviews to activate a triggering event. Also, COLOs advised that the terms of the separation become clearly outlined. As one COLO raised the concern he faced, “when does a student stop getting billed under the share agreement and who’s responsible for the costs of the teach-out?” Simply put, COLOs recommended clearly outlined activities and treatment of students, programs, and materials and “more measurable checks” with consequences.

Section Concluding Remarks

While this discussion captures many of the key messages we heard, more than half the COLOs whom we interviewed expressed their unfamiliarity with complex outsourcing service contracts. We recommend development of two products – one that guides COLOs with involving their financial and legal teams in the development of these contracts and one that presents a more detailed analysis of contracts, which would include legal analysis of contractual terms to consider and ways of framing these terms.

What Feedback did COLOs Receive About Potential OPM Partners?

As mentioned earlier about the decision-making process about whether to use an OPM and the selection of the provider, COLOs and their campuses included feedback from various stakeholders throughout. This section discusses who was involved and how their input became manifested, framed according to questions that COLOs might ask themselves when considering or presenting the relationship to senior leaders.

1. At our Campus, who Would be Representatively Diverse Key Stakeholders Impacted or Influenced by This Relationship?

Most of the COLOs worked with a core group at the early stages of the OPM exploration process. As discussions expanded and meetings with potential OPMs commenced, the scope of internal stakeholders participating in the process expanded. As the COLOs described, the core committee exploring the OPMs involved certain student services offices such as the controller/bursar's office, financial aid, admissions, registrar, information technology, and the academic unit leadership early-on in the process. The degree of involvement, however, varied as some of these offices participated in the active design of the RFP while others only significantly entered when the OPM finalists pitched their services. For campuses that expanded an existing vendor relationship, the campus stakeholders seemed to be involved in feedback throughout the decision-making process, in part because they had more input to provide given the existing interactions. Across the board, the COLOs often expressed drawing on student feedback after the engagement or the test period began, or if a prior or current relationship existed, they drew on available data or sought specific feedback. However, throughout the contract term process, COLOs emphasized the significance of student feedback as parties who directly received and benefited from the OPM engagement.

Faculty involvement represented another significant representation. As one COLO, who eventually decided not to engage with OPM and instead built internally, explained, "It is important for us to have faculty buy in, and the support of our [Faculty] Senate." About a third of the COLOs expressed heavy criticisms on the concept of using OPMs. The COLO at a university deciding to move in-house described, "there was a pretty strong reaction from the faculty" opposing the use of an OPM. As several COLOs posited and one expressed more directly, the concept of an OPM served as "a threat to faculty, like someone else is taking over the program." Interestingly enough, when faculty started working with the OPM at contracting campuses, the COLOs observed many programs via their faculty and department leadership expressing satisfaction. Ultimately as one COLO, who formerly used an OPM, suggested, campuses will likely succeed if there is an acceptance of the new "business models and faculty willingness." Further, as is evident, an expansion of a campus' online learning strategy through an OPM is a significant endeavor. And COLOs noted that at an early stage, COLOs should engage senior administrators, legal counsel, and a senior person in the information technology unit as part of the exploration, negotiation, and performance tracking processes. Some COLOs also referenced using an online strategy consultant to evaluate holistically its long-term planning.

2. Who Were Their References and how Well did They Match Our Organizational Characteristics? What did Existing Clients/Universities say About the OPM? How did the OPM Ensure Success in Other University Engagements?

Many of the COLOs emphasized the depth of reference checking of potential OPMs. As one COLO recommended, “you can’t just take the reference of another,” whom the OPM provided. Supplementing that due diligence, she advised, “I would get [off list] references” and examine carefully their past and existing relationships. The same COLO described, “you must find the right partner. There are many players out there, more and more coming every day, ... and just because one institution is using or not using [the OPM] ... doesn’t mean it’s a good fit for you.” As mentioned earlier and emphasized here, the COLOs repeated the alignment with the mission, vision, values, and institutional brand as an essential consideration through the feedback process about the OPM. Further, they emphasized the role of due diligence. One OPM framed this necessity stating, “Do your due diligence. Put in the research in the amount of time to compare them” keeping in mind that this relationship may exist for “at least three or five” years. Many COLOs disclosed that they contacted peer institutions, used the UPCEA networks, and drew on contacts from around their campus to obtain feedback about the OPM options. Questions that they posed seem to resemble these: From the field, how well established were they in this space or what was their track record? What supported evidence demonstrates the OPM as a potential match (or flag) for our university?

3. How do Senior Leaders Measure the Return-On-Investment (ROI)? How Could we Guide Their Understanding About the Value Proposition?

When the central inquiry involves shared revenue and return-on-investment (ROI), COLOs admitted that these were often tough discussions. From among the interviews, the COLOs often referenced at least one of these three recommendations when working with other senior leaders at the university, especially the cabinet when, indeed, the evidence demonstrated that the shared revenue approach was worth the value to the university. First, considering the engagement of an OPM is about framing which strategic approach the university wishes to take. As one COLO presented, “it’s really a buy versus build.” Beyond the services, the framing also extended to the pace or speed of change. Another COLO recounted the exchanges with his university leadership describing the message framing as, “that’s been part of the wake-up call ... if you want to scale your program, and increase and attract more students to the program,” then senior leaders should weigh investing now or spending money later based on the new revenue generated.

Second, COLOs observed the value of constantly updating senior leaders on the OPM performance and progress toward future goals. One COLO referenced priming the senior leaders with queues about the low financial risks by using the contracted OPM and the financial benefits associated with the engagement. The COLO described that “everyone sort of liked the incremental revenue” concept and “no one was really committed to sort of pushing for it,” but the buy-in as the best course of action along with constant reinforcement of the decision served as an effective

approach for senior leaders to appreciate the ROI. Further, COLOs noted the service capabilities should be highlighted. For instance, the OPMs “were responding to inquiries from online students within minutes. Our admissions was [taking] days” to respond. This recommendation of constant communication about the OPM performance and progress also emerged, quite significantly, for the four COLOs who participated in the interviews and had a change of leadership. They emphasized this step as a critical recommendation.

As a third and final recommendation, the COLOs were sensitive to the general campus sentiments against most forms of outsourcing. As one COLO opined, “I think generally, faculty dislike outsourcing.” However, the senior leadership acknowledgement of the ROI is, in part, a function of what the campus believes and how the campus responds to this engagement. Accordingly, the COLOs recommended an internal awareness campaign around what the OPM may be able to do for certain units. It was intended to attract more programs to work with the OPM, but it had the effect of demystifying the OPM experience. For many of the COLOs, the ROI is clear on the pro forma and narrative report of services, but the tipping point seems to emerge when COLOs convey the messaging effects around campus with data and qualitative illustrations around what the OPM brings in terms of opportunities for the campus and the quality of the work. As one COLO took a cabinet perspective, he stated: the questions about ROI are “not about quality. They know ... these are great programs. ... They’re rigorous. The students are exceptional. They’re well maintained and supported. They run really well [and] support [the operational side]. I mean ... infrastructure, the uptime ... on the platforms is extraordinary. It’s like 99.999%. ... They’re accessible programs. They’re well produced.” In most instances, the promotion includes student feedback about the quality of the instruction and development of courses making the faculty reviews and perceptions of online learning more positive. In short, highlighting the benefits to the university including the learning, student satisfaction, and faculty experiences appear as significant pieces to appreciating the ROI.

Section Concluding Remarks

OPM partnerships typically affect units across campus, regardless of how many programs contract with the OPM. COLOs considering an OPM partnership should consider the ramifications for other units and engage in discussions with respective leaders. Given the variance in OPMs, it is also critical that, as one COLO put it, decision-makers “do their homework” and thoroughly vet potential OPM partners to ensure not only that they have a successful track record, but also that they would be a good fit for their specific institutional needs. Part of this work ensures that all campus stakeholders feel comfortable with the OPM relationship, which should entail engaging stakeholders in discussions about the positive and negative aspects associated with outsourcing components of online learning.

Top Lessons Learned

COLOs identified key lessons from their decision-making process of whether to engage with an OPM, and for those leaders who did, the actual OPM partnership experience. We highlight the top five.

1. Business Model and Operational Expectations

A major lesson for COLOs is to learn the OPM business model and operational expectations. Even COLOs who thought OPMs were imperfect referenced drawing on OPM systems, processes, and protocols as valuable lessons to improve their online learning operations. Indeed, many of the COLOs, especially those from larger institutions, described using OPMs as a tool to both improve their internal operations and to evaluate their institutional capacity and capabilities for online learning. Rather than seeing the OPM engagement as a permanent partner for their online learning programs, they treated the OPM as a stopgap that would allow them to move towards independently operating the programs internally or as new models to adopt so they could build in-house if they needed negotiation leverage to improve their contract terms. Other COLOs, largely from smaller institutions, admitted learning about the business model and operational expectations about online learning from their OPM partners, especially how to cater to student populations with whom they have not historically engaged. For example, several COLOs explained that the OPMs practices allowed them to better understand the needs of adult online learners.

2. Key Contract Terms

Contracting was a primary area of concern for COLOs engaging with OPMs, and we heard from COLOs about what went well with contracting and, more commonly, what they would do differently if they were to reengage in the contracting process. As a whole, COLOs stressed the importance of ensuring that contracts are tailored to the needs of institution; provide accountability metrics with regular review periods; ensure seamless experiences for faculty and students; do not limit the institution's rights through clauses such as intellectual property, exclusivity, or assignment of rights; and detail termination or modification triggers. The COLOs also realized how the preparation for the memorializing of the contract required the online learning team to consider the range of hypothetical situations and play them out through the proposed contract. This approach would then raise issues of what worked or did not in the preliminary contract draft.

3. State Licensure Requirements

A common driver for engaging with an OPM is the desire to expand online offerings – regionally, nationally, or even further. COLOs seeking to grow their operations in other states spoke of the importance of ensuring that the OPM was capable of familiarizing and meeting state authorization requirements as well as state licensure requirements in these other locales, particularly for programs that had clinical requirements (e.g., nursing, social work). COLOs occasionally expressed that several OPMs were unprepared to meet these requirements or underestimated the effort to enter into states with special restrictions. The COLOs cautioned that state licensure and other state requirements (as applicable) should be explicitly addressed before a relationship is solidified or the OPM suggests expansion of programs that are tied to licensure or certification.

4. Data Sharing Agreements

Like contracts, the use (and potential misuse) of data was a top area of concern for many COLOs. Aside from ensuring that COLOs received the data necessary to evaluate the success of their programs and the OPM relationship, COLOs also expressed unease over data treatment and intellectual property ownership, particularly in regards to student data and course materials. COLOs desired full data transparency with the OPMs but cautioned that some companies may be resistant to this level of sharing. Further, some states maintain more restrictive data compliance standards for privacy and security. This lesson was particularly illustrative of the complexities associated with state policy, online learning, technology, and contracting.

5. Value Propositions

Given the controversy around outsourcing generally and OPMs specifically, COLOs described needing to frequently sell university stakeholders on their OPM partnerships and to be able to highlight the aspects of the partnerships that would matter most to specific stakeholders. This reinforcement of the value proposition is critical as campus leaders and other members of the campus community may not understand or appreciate the trade-offs associated with significant upfront investments versus revenue-share later or the timing and delivery speed differences with in-house builds versus outsource ready arrangements. For example, COLOs may need to highlight the return-on-investment and capacity for growth when speaking with other senior campus leaders, while they might need to focus on reaching new students and improving online pedagogy when discussing the OPM engagement with program faculty. While the suggestions about the value proposition may sound obvious, COLOs reported that online learning teams were not necessarily ready or may not have had consistent, reinforced messaging ready to go.

Overall Conclusion: A Message From UPCEA

COLOs play a critical role in the negotiation and engagement between OPMs and institutions. COLOs, even those with no intention of engaging with an OPM, need to stay abreast of developments in this space. A change of leadership, changes in budget and enrollment forecasts, or a change in strategy can set an institution on a pathway that leads to an OPM, and COLOs often lack the time and resources to get up to speed when an OPM partnership may offer quick results and upfront capital. This study examined how COLOs navigate their institutional strategies, culture, and needs to evaluate whether engaging an OPM is best course of action for their institutions and thus makes strides towards identifying the factors and processes necessary for this decision. Yet the identification of a suitable OPM is a skillset that develops over time; it is specialized and more dynamic than a simple procurement process.

These specialized skills are why groups like UPCEA and Quality Matters recognize the unique leadership role of Chief Online Officers (COO for QM) and Chief Online Learning Officers (COLOs for UPCEA) at postsecondary institutions. UPCEA is agnostic on the role of OPMs and the various business models that exist in OPM agreements. UPCEA recognizes OPMs as yet another service or enablement relationship that an institution may enter into based on their goals, needs, and strategies for online learning. That being said, OPMs have gained the attention of legislators and regulators, and we would be remiss if we did not consider the impact for-profit companies may have on postsecondary institutions. Responding to these public inquiries, this research is very important as it sheds light on the considerations senior leaders must weigh as they look to mitigate pandemic enrollment shifts, the forecasted 2025 “enrollment cliff,” and an attempt to serve the “some college, no degree” market that has historically been an audience for online learning. Ultimately, however, this research raises more questions about the future of online learning and the role of third-party companies in higher education, and thereby demonstrates a need for continued inquiry.

Future Direction/Collaboration

The UPCEA and University of Louisville enjoyed collaborating on this research and are interested in following up on the themes and observations from this study while also exploring other topics. In the short term, you can expect to see more information on OPM contract terms. In the long term, both UPCEA and the UofL team would like to collaborate with other academic researchers to increase our bandwidth and be more inclusive of other perspectives on OPMs, noting the dominance of large, public, research universities in UPCEA’s membership, as well as exploring other research topics.

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Appendix: Methodology

Study Design

This study adopted a convergent mixed methods design in which qualitative and quantitative data were collected separately and analyzed together. In this study, we recognized a need for a large sample of COLOs to identify trends in OPM experiences as well as in-depth interviews to elucidate the details of these experiences.

Data Collection

As discussed, this collaborative work began with the development and implementation of a survey of UPCEA's COLO members (n=92). The quantitative portion of this study provided a baseline understanding of COLOs' experiences with OPMs, including the services that they turn to OPMs for and whether OPMs meet their expectations for these services. This portion of the study also identified many of the factors that led COLOs to not engage with OPMs or to terminate their relationships. Respondents were asked if they would be willing to participate in the subsequent qualitative phase of our study, which consisted of one-on-one interviews with COLOs and members of the research team (n=32⁷). Interviews were conducted virtually with COLOs across the country and each interview lasted between 20 and 120 minutes.

Sample

Our sample came from UPCEA's COLO members. As such, it was limited to institutions who maintained COLO roles and who were UPCEA members. UPCEA members predominantly come from large, public research institutions, and these population characteristics are reflected in our sample. Institutional characteristics are presented in Table 1, and details about OPM engagements are presented in Table 2.

7 Two COLOs participated in the interview but not the survey, and thus our total sample included 94 unique individuals.

Table 1
Institutional Characteristics

		Survey (n=92)	Interview (n=32)
Sector	Public	58%	69%
	Private	20%	31%
	Other/Undisclosed	22%	--
Carnegie Classification	R1	30%	44%
	R2	15%	16%
	D/PU	11%	19%
	Master's	17%	19%
	Other/Undisclosed	27%	3%
Total Student Population	<9,999	22%	34%
	10,000-24,999	30%	25%
	25,000-49,999	18%	31%
	>50,000	7%	9%
	Undisclosed	23%	--

Table 2
OPM Characteristics

		Survey (n=92)	Interview (n=32)
OPM Partnership	Current	28%	44%
	Former	11%	19%
	Never	61%	38%
Multiple OPMs (current only; n=26)	Yes	38%	50%
	No	62%	50%
Years with OPM (current only; n=26)	1-4	42%	36%
	5-9	31%	21%
	10+	27%	43%

Data Analysis

For the quantitative portion, we analyzed data using descriptive statistics to generate frequencies among study variables. While our initial intent was to perform inferential analyses to identify trends in OPM relationships, the sample sizes received prohibited such work. That said, the descriptive statistics were illuminating for understanding the relationship between services and expectations for those who have engaged with the OPM, as well as reasons that many of the survey respondents identified as factors for not engaging. For the qualitative data, analysis included several coding strategies such as descriptive, in vivo, and holistic coding. Two members of the research team conducted coding independently using Dedoose software and subsequently engaged in inter-coder reliability to identify areas of congruence and difference.⁸ From this initial coding, we identified the predominant factors and processes relevant to COLOs' decision-making processes of engaging with an OPM.

Limitations

As discussed, this study has two notable limitations. First, we were limited through our sample population, as there are likely many institutions who engage with an OPM but who do not have a designated COLO role and/or are not members of UPCEA. These institutions were inherently excluded from our sample, yet they likely have valuable insight to contribute to a holistic understanding of the OPM engagement decision process. Second, this study was limited by the sample size of the quantitative portion. Although we received 92 respondents, these respondents differed by their OPM status (e.g., current, former, or never engaged), and thus individual groups within the sample had sizes that prohibited many inferential analyses. Large scale data on OPMs would allow further examination of the relationship between institutional characteristics and OPM engagement, while such analysis was not possible in this study.

8 Saldaña, J. (2021). *The coding manual for qualitative researchers*. Sage.

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