

Strategic planning: Review of external data/information

Briefing theme: Emerging Competition

Background:

- Much has been written from thought leaders and pundits alike about how the pandemic has caused a once-in-a-lifetime disruption to almost all sectors, including post-secondary education. However, the COVID-19 pandemic has not been a change agent so much as an accelerant of trends already well underway. In what some are calling “post-Corona”, several real threats and opportunities lie ahead for higher education.
- The following briefing provides a synthesis of how areas of emerging competition are disrupting the post-secondary sector. This is pertinent for the University of Calgary to consider as we embark on the development of our next strategic plan.

Key Trends Identified:

- **Increasing international competition with improved quality of universities in Asia.** International competition for rankings, students and academics is changing the higher education landscape.ⁱ Many are predicting that the coming years will see a distinct shift in the higher educational landscape that rebalances trans-national education. The English-speaking, student-importing, and international-fee-reliant countries (namely USA, UK, Australia, Canada) will see their traditional student-source countries (such as China, India, Malaysia, South Korea, Singapore and Hong Kong) increasingly become competitors after having grown tired of losing some of their brightest people. For example, over the last decade, China and India have both more than doubled the enrolments in their universities.ⁱⁱ These countries will take advantage of very high regional demand for post-secondary education, their own booming economies, increasing English-language-based provision, and lower fees.ⁱⁱⁱ
- **Employers as educators: emergence and growth of private companies in post-secondary education.** Private companies are a new competitor as they provide micro-credentials for employment relevant skills. Examples include: Google’s recent announcement of three “career certificate programs”, Facebook’s partnership with colleges to deliver marketing certificates, and AT&T University which is an executive-led program focused on leadership development housed at the Dallas HQ.^{iv} As a result, many of these large private companies such as IBM, Google, Amazon, and Deloitte, are no longer requiring degrees for professional positions that they once did since they can train their own talent in-house now.^v These companies can create programs faster and at a lower cost than universities. In order to maintain competitiveness, universities will need to revise programs to balance short- and long-term educational needs.
- **Rapid growth of technology-based alternative learning platforms.** FutureLearn, Udacity, Coursera, and edX are just some of the new providers providing “nanodegrees” or “micromasters” and expanding access to education.^{vi} Although this has the tremendously positive effect of democratizing education, it represents a risk to post-secondary institutions. For example, today, Coursera boasts 77 million users. Coursera differs from traditional higher education in terms of who provides its content. Its business and non-profit partners allow you to learn technology from Cisco, finance and management from Goldman Sachs, and merchandise and sales from Alibaba. The non-profit and government-sector partners, which are of equal renown, include the American Museum of Natural History, the Museum of Modern Art, and the World Bank. The looming issue for higher education is not just the explosion of alternative providers, but their world-class quality. Students have the option of obtaining certification from Google (and an increasingly accepted employment credential) or getting classroom credit from a more-expensive regional university.^{vii}

- **More choice means institutional control will decrease, and the power of consumers will increase.** As has been witnessed in many other sectors, we're starting to see the focus shift from institutions to consumers in higher education, with consumers having more choice over *what, where, when, and how* they consume information. In many sectors (e.g. music, film, journalism), there is increasingly a push for on-demand over fixed-time access, universal mobile access over fixed locations, and unbundled rather than bundled content – the same trends increasingly apply to higher education as more choices become available.^{viii}
- **Possible opportunity for universities to operate a platform business model.** One of the extraordinary developments in today's economy has been the rise of the platform business. Seven of the 10 largest organizations in the world can be described in this way. The institution that can provide on-demand learning, at scale and personalized to the needs and wishes of the student, is the organization which can build resilience into its future. We may now see new forms of business model which draw on the entertainment industry, whereby some universities relay and quality assure content and assessment that is actually provided by others, as well as offering their own programs.^{ix}
- **Institutions that develop a unique values-based brand will increasingly be able to out compete their peers.^x** People crave brands that add meaning and value to their life. Brand is different than marketing. Brand is the lived experience and what other people say about your institution. It's reputation that develops as students and families tell stories about their experience with a particular university or college. Students will seek out brands that speak to the journey they hope to take. Further, a distinct brand can serve as a protective factor during tumultuous times. The post-secondary institutions with well-known brands were generally unscathed by the pandemic, whereas those without a distinct brand tended to struggle.^{xi}

ⁱ Ernst & Young (2018). Can the universities of today lead learning for tomorrow? Retrieved from <https://cdn.ey.com/echannel/au/en/industries/government--public-sector/ey-university-of-the-future-2030/EY-university-of-the-future-2030.pdf>.

ⁱⁱ HESA (2022). World Higher Education: Institutions, Students and Funding. Retrieved from <https://higheredstrategy.com/world-higher-education-institutions-students-and-funding/>.

ⁱⁱⁱ Roquette, T. (2022). The disruptive forces that will transform higher education. Retrieved from <https://www.fullfabric.com/articles/the-disruptive-forces-that-will-transform-higher-education>.

^{iv} B+H Architects (2021). The Disruption of Higher Education. Retrieved from <https://bharchitects.com/en/2021/06/03/the-disruption-of-higher-education/>.

^v Roquette, T. (2022). The disruptive forces that will transform higher education. Retrieved from <https://www.fullfabric.com/articles/the-disruptive-forces-that-will-transform-higher-education>.

^{vi} B+H Architects (2021). The Disruption of Higher Education. Retrieved from <https://bharchitects.com/en/2021/06/03/the-disruption-of-higher-education/>.

^{vii} Levine, A. & Van Pelt, S. (2021). Five Ways Higher Ed Will Be Upended. Retrieved from <https://www.chronicle.com/article/5-ways-higher-ed-will-be-upended-in-the-decades-to-come>.

^{viii} Levine, A. & Van Pelt, S. (2021). Five Ways Higher Ed Will Be Upended. Retrieved from <https://www.chronicle.com/article/5-ways-higher-ed-will-be-upended-in-the-decades-to-come>.

^{ix} KPMG (2020), The future of higher education in a disruptive world. Retrieved from <https://home.kpmg/ca/en/home/industries/government-public-sector/education/the-future-of-higher-education-in-a-disruptive-world.html>.

^x Weinberg, A. (2020). 5 ways COVID-19 will change higher education forever, and how colleges can adapt. Retrieved from <https://www.usatoday.com/story/opinion/2020/08/04/how-covid-19-change-higher-education-long-term-column/5571095002/>.

^{xi} Baldwin, K. (2021). Disruption and the Future of Higher Education and Advancement. Retrieved from <https://www.givinginstitute.org/news/563675/Disruption-and-the-Future-of-Higher-Education-and-Advancement.htm>