OERup! Training

Module 6 / OEP - OER as part of a strategy

This module provides an insight on how to develop business models and strategies through experimental activities/exercises, individually or in collaboration.

Contents

Introduction

"The Internet, increasingly affordable computing, open licensing, open access journals, and open educational resources provide the foundation for a world in which a quality education can be a basic human right. Yet before we break the "iron triangle" of access, cost, and quality with new models, we need to develop sustainable open business models with open policies: public access to publicly funded resources". - Cable Green, Director for Global Learning Creative Commons, 2013.

OER release is as much a business decision as it is a teaching and learning or academic pursuit. OER initiatives can raise interesting questions for institutions around where the responsibility lies within an institution for aspects relating to legal issues, risk management, accessibility and quality of open content. In many institutions this responsibility may be scattered across faculties or departments and might have to be reconsidered if an institution-wide approach is adopted. Essentially OER initiatives are about institutional change and require appropriate approaches and support to help staff adjust to changes in culture that may seem very threatening. Academic practice change was a significant focus across the three year programmer. ([Source])

CONTENT	opportunities and challenges that come with OERs and the introduction of a corresponding business model in your institutions.
TARGET GROUP	staff and management of adult education institutions, consultants & freelancers

Task 1

Reading challenges:
1. The OECD 'Giving Knowledge for Free - The Emergence of Open Educational Resources' (2007) report advices managers of institutions, strategists and decision makers concerning the opportunities and threats presented by the OER movement and gives ideas for business models and strategies. Read pages 87 96: http://www.oecd.org/edu/ceri/38654317.pdf
2. Read chapter "management considerations" in the "Open Educational Resources Guide" by Jisc: https://jisc.ac.uk/full-guide/open-educational-res...
3. A short analysis of what are the costs of developing open textbooks by Tony Bates. In the content of the article you can find the link to the author's open textbook example: TEACHING IN A DIGITAL AGE – which examines the underlying principles that guide effective teaching in an age, when everyone, and in particular the students are teaching and are using technology: http://www.tonybates.ca/2015/06/08/the-cost-of-dev...
    (note: the prices quoted by the Tony Bates, should be adapted to the estimated costs and price levels of any other country or market)

Please write your opinion about: What is the macro-economic effect of education on general knowledge and welfare, and what is the contribution of OER to this effect?

1. OER as part of a business strategy

There are a range of different business models that support the creation, management, and release of OER. These models are usually linked to both the original intentions behind such a 'service' and by the funding mechanisms. Business models need to be flexible, to respond to changes that can happen very quickly, and sustainable. Many existing OER services were established with 'one-off' initial funding and based on an altruistic notion of opening resources worldwide and sustainability has become a significant issue in recent years. Several services have developed strong communities which come together through sharing both practice and resources, which helps to sustain and support continued development of OER.

Business models

The Good Intentions report (http://repository.jisc.ac.uk/265/) examined a range of business models for sharing learning resources (ranging from international, national, institutional, sectoral, subject discipline) and found that many were in transition towards adapting their models towards more openness. This study looked at the business models from three aspects or sub-models:

- Financial models. The various financial models could be said to shape the resulting services but are also the element of a business model which needs refining as services go through various stages of maturity. Clearly finance models are closely linked to sustainability of services.
- Service models. Crucial to all service models is an understanding of the market. If the service model is about the "route to market" it stands to reason that we should know the market. Often there may be several tiers to a market – the primary group/community to which the service is closely modeled and also possibly secondary markets (either known at start-up or emerging through queries/use) that the service can serve. This may affect future development and funding models if the new market is prepared to be involved in funding/contributing in some way. One outcome of developing OER for specific markets (or groups of stakeholders) is that resulting resources may not be accessible, either technically or pedagogically, for wider groups to use.
- Supplier/Consumer models. In relation to sharing learning resources, suppliers and consumers may often be from the same sector, community or group. In reality there are so many different contexts of use, and such variation within a group, even within one department of one institution, that it is not easy to develop a generic model. The groups that are contributing may not actually be consuming, consumers may also be suppliers but not necessarily.

All of these sub-models are affected by some overarching issues which include: issues around competition and choice; variety and range of stakeholders; sustainability; adaptability and flexibility of model to change; partnerships and networks. Source

Funding Models

Stephen Downes (2007) categoriese nine different funding models or OER initiatives, which are described as follows:

- Endowment models: The initiative receives base funding.
- Membership models: Each partner organisation contributes membership fees.
- Donation models: The initiative receives donations.
- Conversion models: Fee payments are made by users/consumers.
- Contributor-pay models: The contributor pays for the cost of maintaining the contribution and the provider makes it freely available.
- Sponsorship models, such as commercial advertising.
- Institutional models: The initiative is funded internally by the institution.
- Government models: The initiative receives direct funding via government agencies.
- Partnership or exchanges: The focus is on sharing and exchanging resources.

Watch this video by Frank de Lange - "Business Models for OER" (1h)

https://www.youtube.com/watch?v=YEGqC4_kY8o

2. Opportunities and Challenges to be aware of

OER have reached the peak of the initial hype – platforms have been created, large quantities of resources have been developed, MOOCs are being offered, and certification systems are being piloted, and OER appear to be entering the next stage of their development and maturity. In the initial stage, the majority of OER initiatives were funded in the form of projects with external or internal funding. An ongoing challenge faced by these initiatives is what business models might be appropriate to make them sustainable in the longer term (POERUP, 2013).

One of the weaknesses in adopting OERs and OEPs by institutions is the "lack of a direct business model for OER. There is no direct perceived connection between developing OER and getting the benefits of them; OER can seem like giving something away for nothing" (Redecker, Muñoz and Punie, 2013 - page 40).

The Redecker, Muñoz and Punie (2013) study is an inventory of OER initiatives in Europe and beyond, indicating: their duration, geographical scope, number of users, kind of users (learners, teachers, employees, general public etc.); learning setting (e.g. institutional or not), focus (creation, retrieval, use, re-use, sharing, adapting, etc.), funding and business models; impact and lessons learnt.
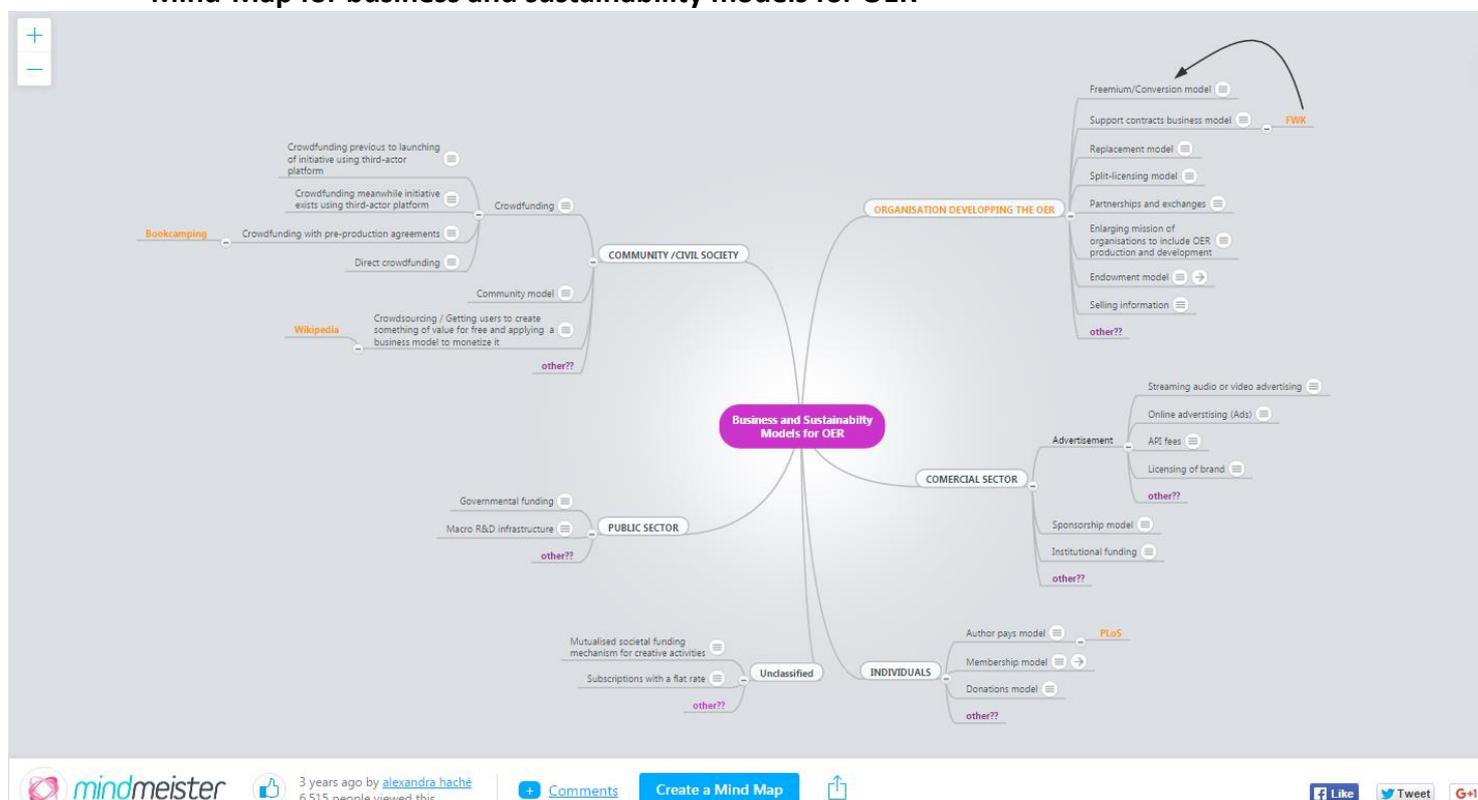
There is a **challenging need to monitor and evaluate the emergence of new and sustainable funding and business models** for OER and OEP in educational institutions at all levels.

Have a look at the following table of potential business models:

Download

module 6 - existing business models table.docx

Mind-Map for business and sustainability models for OER

For a detailed view of the map follow the source
link: https://www.mindmeister.com/156160297/business-and...

Task 2

Try to answer these three questions. Share your answers with the community:

1. Can you list some open-source business models?

2. What benefits attract investors? Why is a strong business worth investing in even if it produces products that can be reproduced for free?

3. Which business model seems the most viable and robust to you, and why?

3. Good practice

There are a variety of business models currently being trialed for the development and sustainability of OER initiatives, (though none has been proven yet) and a mix of business models is likely to be used in the near future. The big challenge now is that the scale of investment, especially from governments is unlikely to continue. Lack of government support has already been reported by several countries in POERUP (Policies for OER Uptake) http://www.poerup.info/resources/public%20delivera... , including the UK, Canada and Italy, as a major factor in limiting further development of OER.

The current economic crisis affecting many countries has led to a decrease in government investment in education and innovation, which has weakened the already challenging situation concerning the promotion of OER in some countries. However, there is a persuasive counter argument which suggests that austerity and cutbacks have actually accelerated some teaching and learning policy changes (OER amongst them) as institutions, regions and nations seek cost savings. (POERUP)

The Open Education movement started as and remains a buttom-up movement, which can be seen by the many individual and privately organized initiatives (Find out more by reading the need analysis reports of OERup!: http://www.oerup.eu/about/the-need-analysis/)

Check out the practice examples below and be inspired:

1. **Future Learning** by Richard Baraniuk

https://player.vimeo.com/video/64081287

2. **Lumen Learning** by Kim Thanos and David Wiley

Overall Open Environment Business Fits In: Education

Key Partners 🔗	Key Activities ✅	Value Proposition 🎁	Customer Relationships ❤️	Customer Segments 👥
Faculty who provide subject matter expertise, knowledge about what students should learn, and knowledge about how to teach The open communities who build open infrastructure components, including individuals and organizations working on: • Open licensing infrastructure (Creative Commons) • Open content infrastructure (various; e.g., OpenStax) • Open source software infrastructure (various; e.g., Wordpress) Institutional partners who provide critical feedback about course and degree program enrollment levels and potential impact, institution-wide priorities, and feasibility of various contracting and billing structures Funders who provide grants and investment that support research and development, community events, and growth The Open Education Group who conducts research studies on the impact of OER adoption and use	What Key Activities do our Value Propositions require? • Curate "best" OER by discipline • Provide instructional design support during the OER assembly process • Review licensing and attribution • Assemble OER in our platform • Develop, maintain, and improve our hosting platform • Provide hosting, integration, and support services • Support continuous improvement **Key Resources** 📊 What Key Resources do our Value Propositions require? • Open educational resources, including core materials, assessments, and supplements • Hosting platform • Employees with deep expertise in instructional design, open licensing, educational technologies and standards, faculty development and support, higher education culture, strategy, communications, HR, and operations	What value do we deliver? • We make it easy for faculty to replace commercial textbooks with open educational resources • We save students money and improve student success • We increase pedagogical flexibility / academic freedom for faculty • We help institutions understand how OER fits into their broader strategies • We help institutions figure out how to fund OER programs Which problems are we helping customers solve? • Many students go without textbooks due to their high cost (Florida Virtual Campus Survey), impacting their academic success. This is a problem we solve. • According to Babson survey data, faculty are unaware of OER, can't find OER, are worried about the quality of OER, and don't know if they have permission to use or change OER. These are problems we solve. • Many institutions can't find ways to meaningfully decrease the cost to graduate from their programs. This is a problem we solve.	What type of relationship does each of our Customer Segments expect us to establish and maintain with them? • Students don't expect to have a relationship with Lumen • Faculty want support from Lumen that makes the process of switching to OER easier and the process of using OER more effective • Institutions want to partner with Lumen to meet affordability and other student success goals **Channels** 🚚 Through which Channels are we reaching our Customer Segments? • Institutions: Introductions from academic leadership at peer institutions, earned media, Lumen website • Faculty: Academic conferences, publications in research journals, referrals by other faculty • Students: Through faculty who adopt OER	Who are our most important customers? • Faculty, who make the choice to adopt OER in place of commercial textbooks • Students, who use the OER adopted by faculty to support their learning • Institutions, who enter into contractual relationships with Lumen on behalf of their faculty and students These customer segments are closely interrelated. While *students* are the end users of OER, it is *faculty* who must make the decision to adopt OER and *institutions* who must sign the contracts to pay for training, hosting, integration, and support. Consequently, our customer segments are related through layers of interdependence: institutions sign a contract, then faculty adopt OER, then students use OER. Each of these different segments requires different messaging and support.

Cost Structure 🏷️	CC License 🅭	Social Good 👫	Revenue Streams 💰
What are the most important costs inherent in our business model? • Personnel • Platform development • Platform hosting	Which Creative Commons license will I use? • All new work Lumen does, individually or with partners, is licensed CC BY. We also reuse works published under other open licenses. How does license choice affect the business? • Our commitment to the CC BY license insures that all the work we do with one institution will benefit the next institution, just as previous work benefited the first institution	Beyond revenue and profits what social good is generated by this business? • Expanded access to educational opportunities and credentials for all students, with a particular emphasis on benefiting historically underserved groups and working at the "entire degree" level.	For what value are our customers really willing to pay? • Support for OER course packages that provide a complete textbook replacement that is easy to adopt and adapt. • Access to a supported, hosted platform that enables the SRs and provides an effective, cohesive learning experience. • Tools, staff and resources that are informed by best practices from around the community. • Analytics tools and services that continuously improve OER-based courses. How would they prefer to pay? • Per enrollment for ongoing support and enhancements • Often institutions place a material fee on the course at registration to generate budget, realize tremendous savings for students, and ensure full access on day 1 How much does each Revenue Stream contribute to overall revenues? • Training and onboarding - 5% of revenues • Ongoing support fees - 95% of revenues

(https://docs.google.com/drawings/d/1l-kSBcCCupbBGO...)

3. **Open Education: The Business & Policy Case for OER** by Cable Green's and Ellen Wagner

Webcast link: http://wcet.wiche.edu/connect/oer-webcast

Presentation link: http://wcet.wiche.edu/wcet/docs/webcasts/2013/oer/OERSlides1.pdf

(Important note: The webcast runs only with Blackboard Collaborate Launcher. You will be redirected for the download.)

4. Business model development tools

Please have a look at the following tools, we recommend for the business model development process:

I. **Business Model Canvas**

link: https://www.youtube.com/watch?v=QoAOzMTLP5s

II. **Effectuation:**

"A logic of thinking that uniquely serves entrepreneurs in starting businesses Provides a way to control a future that is inherently unpredictable"

- take a look at the following overview: http://www.effectuation.org/sites/default/files/do..
- or watch the video by Alexandra Rudl: http://www.richmedia-plus.de/shows/present/sb9d487..

5. Conclusion

I know about European policies regarding open educational resources?

Which are the international initiatives on open educational resources?

I know how to use the Business Model Canvas?

I am ready to propose a policy brief about OER/OEP?

6. List of links

All of the links found in this module can be found here:

- Report- The OECD 'Giving Knowledge for Free - The Emergence of Open Educational Resources' (2007), http://www.oecd.org/edu/ceri/38654317.pdf
- Open Educational Resources Guide by Jisk, https://jisc.ac.uk/full-guide/open-educational-res...
- Teaching in a digital age, http://www.tonybates.ca/2015/06/08/the-cost-of-dev...
- Good Intentions report, http://repository.jisc.ac.uk/265/
- Business Models for OER, https://www.youtube.com/watch?v=YEGqC4_kY8o
- Need analysis reports of OERup, http://www.oerup.eu/about/the-need-analysis/
- Open Education: The Business & Policy Case for OER, http://wcet.wiche.edu/wcet/docs/webcasts/2013/oer/OERSlides1.pdf
- Business Model Canvas, https://www.youtube.com/watch?v=QoAOzMTLP5s
- Effectuation, http://www.effectuation.org/sites/default/files/do..

7. Metadata

Data Category	Information „OER as part of a strategy"
URL	http://www.oerup.eu/module-6/
OER	OER
License	Creative Commons-Attribution-ShareAlike 4.0 Internationa
License Code	CC-BY-SA 4.0
Name	Module 6 – OER: It's already out there
About	Providing an insight on how to develop business models and strategies through experimental activities/exercises, individually or in collaboration.
Keywords	Open Educational Resources, Open Education, Adult Learning; Quality Assurance; teaching practice, business strategy; Policy Case for OER; Business Model Canvas, initiatives and challenge in OER
Publisher	OERup! Consortium
Author	Gabriela Grosseck, Dobra Rucsandra
Date Created	20/10/2015
Time Required	08:00:00
Educational Role	Teacher
Educational Use	Activity, Lesson Plan, Reading, mind/imagination exercise
Interactivity Type	Mixed

Resource Format	Text, webpage
Data Type	HTML
Education Type	Adult Learning; Higher Education
Language	English; German; Italian, Spanish; Romanian
Country Code	Romanian
Script Code	Latin
Access Mode (Optional-- Accessibility Metadata)	Visual; Textual