

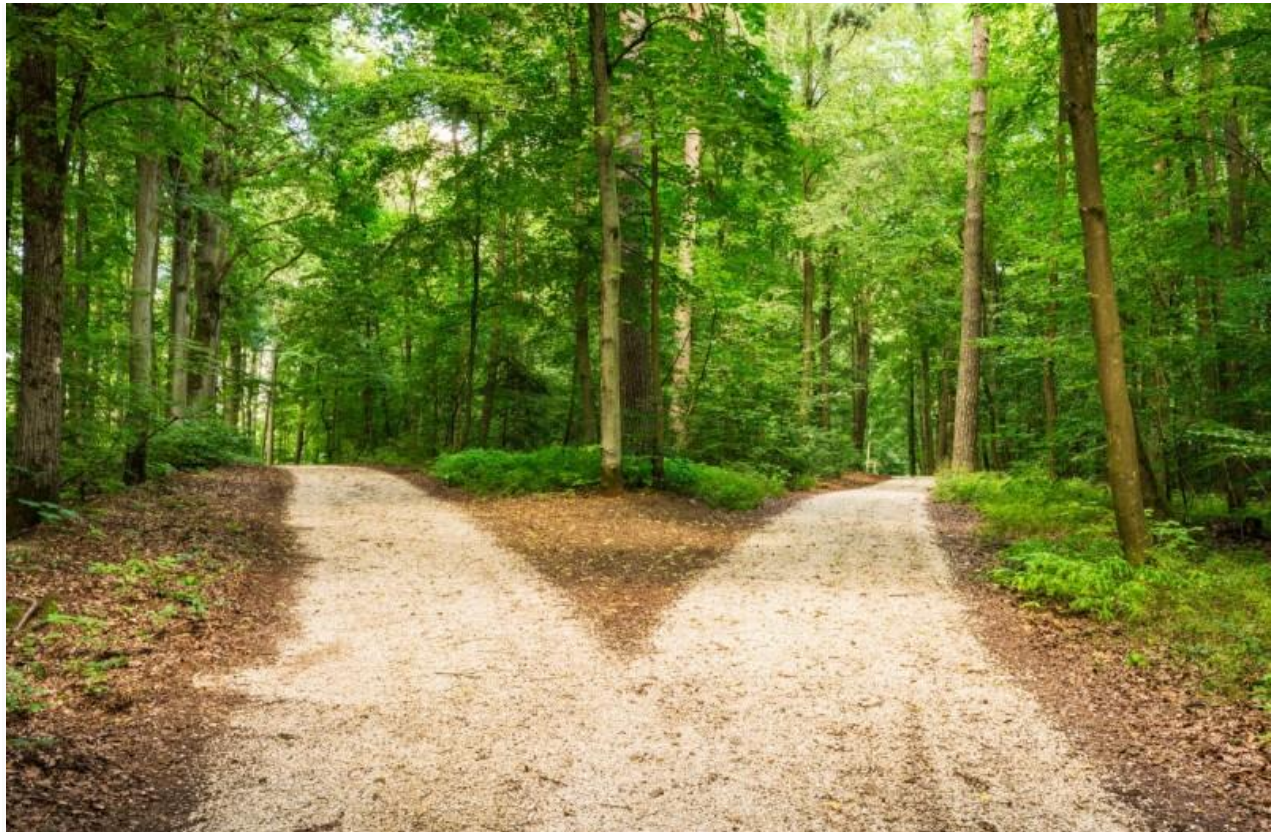


## Doing It Yourself: The ‘Internal OPM’ Model

As concerns about outsourcing ring out across online education, several institutions have carved out niches by developing in-house capacity that resembles OPM functions.

By [Mark Lieberman](#)

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Recent months have seen an uptick in hand-wringing about the relationship between colleges and online program management companies, which provide

services to help institutions build, market and manage academic programs in exchange for a share of revenue or a fee. A recent article in *The Huffington Post* further inflamed tensions, as the author, Kevin Carey, director of education policy at New America, painted a grim picture of such companies' impact on the landscape of high-quality yet affordable options for students. (That piece prompted [quite a bit of discussion](#) right here on our site, and a [rebuttal](#) from the most successful OPM company.)

But some institutions have the luxury of watching that conversation from the sidelines. According to Howard Lurie, principal analyst of online and continuing education at Eduventures, online program management companies have contracted with roughly 18 percent of possible two- and four-year higher education institutions, which leaves quite a few looking at going online by other means.

A portion of those institutions use what's come to be known as the "internal OPM" model, even as some administrators that employ it balk at the term. (Then again, the OPM companies don't particularly like the term "OPM.") Each one looks slightly different, but the common threads include a centralized office that partners with member schools in a single institution or campuses in a system; in-house development of key services including marketing, recruitment, student support and instructional design; and minimal, if any, outsourcing to for-profit companies.

Administrators who work with this approach say it may not be ideal for massive online growth on the scale of [Arizona State University](#) -- but not every institution wants or needs to ascend to those heights to be successful on its own terms.

Lurie said he's seen some institutions eschew OPMs altogether, and others, like the [University of Florida](#), enter into those partnerships only to flourish later without them. Either way, it's a tall order, he said.

"If you're not going to rely upon an OPM, you better have some amazing enrollment management services available to you," Lurie said.

Growing an online program portfolio requires a fair amount of trial and error and likely some missteps along the way. "Inside Digital Learning" talked to leaders of a handful of internally managed online initiatives to get a sense of how they work and what they can accomplish.

## **Early Days**

In the early 2010s, the [University of Arizona](#) began offering a handful of online programs, some developed in-house and others in partnership with OPM companies. According to Vin Del Casino, vice president for academic initiatives and student success, a 2014 mandate from leadership to develop more undergraduate programs prompted some introspection.

Del Casino and his colleagues didn't like the idea of being accountable to an invested outside provider, particularly if growth didn't happen as quickly as projected. Instead, he and his team had to figure out how the institution could develop capacity for many of the tasks at which OPM providers claim to excel. They quickly established offices for faculty development support, marketing and recruitment, and online admissions.

Underlying those moves, though, was the question of funding. Del Casino assumed administrators at the university's colleges and schools wouldn't be interested in partnering with his unit if they were expected to bear the financial risk of launching an untested program.

“We made all the investments up front knowing programs wouldn’t break even within three years,” Del Casino said. “We guaranteed to make everyone whole through that period of time.”

The colleges never paid the unit back any portion of those first three years of revenue. Now, though, schools pay 35 percent of annual revenue from undergraduate programs back into the online unit’s funds.

“That’s what OPMs do -- they come in and say, ‘Don’t worry, you don’t have to take on the initial risk or investment,’” Del Casino said. “We took on the same philosophy centrally.”

Conventional wisdom suggests that institutions whose online program development appears to be lagging behind current trends would benefit from partnering with an OPM, which aims to accelerate development faster than an in-house team could. But the [University of Michigan](#) hasn’t embraced that philosophy, despite still having a small number of existing disparate online programs and ambitions for far more.

The institution’s path to online went through MOOC partnerships with Coursera and edX, which helped persuade faculty members of the value of online teaching and administrators of the potential markets that online education can help institutions tap. According to James DeVaney, Michigan's associate provost for academic innovation, the institution over the last five years has steadily built up a 60-person online team.

DeVaney is wary of describing his university’s model as an internal OPM, though.

“We really describe ourselves as an internal incubator or internal consultancy for academic units. We’re able to provide lots of different services,” DeVaney said.

### **Partnerships Evolve**

At the core of any internal OPM structure is the relationship between a central unit and individual members.

For instance, the University of Wisconsin Extended Campus, an arm of the state system focused on developing online programs, among other initiatives, partners with the system’s dozen campuses -- usually more than one for a single program. Each campus that contributes content to an overall program then offers that entire program to students enrolled at their institutions. (Individual campuses in the system also offer programs developed on their own, though they enroll fewer students over all than programs developed in collaboration with Extended Campus.)

The Extended Campus office, led by executive director Aaron Brower, who also serves as the system's senior associate vice president for academic affairs, puts up front-end funds and then waits until enrollment revenue matches them, at which point the funds get divided equally among partners as well as the Extended Campus.

A memorandum of understanding between Brower's office and the partners spells out the division of responsibilities. The Extended Campus typically handles initial market research as well as marketing for students, instructional design help, technical support and student coaching.

Campuses host academic advising and are responsible for everything involving instruction -- developing curriculum, hiring instructors, controlling the

intellectual property of courses. The team of partners presents programs to the institution's Board of Regents and to the Higher Learning Commission for approval.

These days, according to Brower, the Extended Campus approaches campuses with ideas for online programs more often than the other way around.

Some internal units employ a lighter touch. The [University of Washington's](#) Continuum College, which serves as a program manager for face-to-face as well as online programs, mostly defers to schools and colleges, according to Rovy Branon, vice provost of the Continuum College.

"They're usually first to see a new area that's emerging where they need a degree," Branon said.

The nature of these partnerships can be fluid, though. More than half of the University of Michigan's 19 schools and colleges have teamed up with the institution's online unit -- each in different ways, according to DeVaney. In the beginning, his office conceptualized nearly all of the new online programs, but in recent years the office's partners have taken on an increasingly large chunk of that burden, he said.

Coursera has provided considerable support in developing the institution's MOOC offerings, as has edX. But DeVaney considers the institution "partner agnostic" and sees consistency across all development models. "The goal in the initiatives we're working on, whether it's a MOOC or a full online degree, it will ultimately be led by the academic units," he said.

Some who are just getting started with online want the centralized unit to provide the full slate of services, including design, marketing, project

management and user experience design. Others with more experience have more targeted requests, like mental health services for online and hybrid students. In the middle are schools that ask for support during the design phase and then hire a new assistant director for the stood-up online program.

## **Trial and Error**

If Del Casino could start over, he would hire directors of marketing and recruitment much earlier in the process, rather than starting by relying on the campus's existing infrastructure. As a result, by 2015 the institution had enrolled 150 online undergraduates -- far below initial goals of 400.

"We tried to do everything in all the traditional places," Del Casino said. "We needed to pull that out and really invest in it."

Branon's unit keeps 8 percent of revenue from programs it helps develop -- a fraction of the cut many OPM companies take from partner institutions. Administrators at the beginning wanted Branon's unit to keep less of the revenue. But given recent discussions around OPM companies that take 60 percent or more of a partner institution's annual revenue, recently hired deans have remarked that the Continuum College could comfortably take 15 or 25 percent.

Using more revenue from existing programs will help the college expand its master's degree portfolios to high-growth areas it's largely avoided until now, Branon said.

"Our current financial model doesn't provide the wraparound coaching services that you can afford to do with the expensive models," Branon said. Figuring out how to structure an internal OPM is a challenge all its own. Susan Catron, dean of the Division of Continuing and Professional Education at the

University of California, Davis, is working on shifting her office's function to "service provider and general contractor" for online development at her institution.

The university is currently in the planning stages for its first online degree in partnership with 2U, but Catron thinks the institution would be better served doing some development for future programs on its own, and outsourcing pieces of its operations to more specialized companies.

"Managing this centrally provides greater capacity for our campus to achieve efficient and effective use of vendors versus situating that relationship at the school or college level," Catron said.

Online development at institutions in the California system is lagging behind many other public state universities, in part because of governance hurdles, Catron said. She's hoping the internal OPM proposal will speed things along. Catron's plans reflect the reality that "internal OPM" and "outsourcing" can be reductive categories. DeVaney worries that players in higher education focus too much on whether they should build or buy, when in fact the actual choices are far more complicated.

While everyone in the market is eyeing competitors and hoping to either outclass them or develop their own niche, DeVaney thinks the more urgent issue for institutions is finding ways to serve millions of students who could benefit from institutions' flexible offerings.

"The specific criteria that informs the build/buy/partner decision can and should evolve as a portfolio of formal and informal learning advances and the landscape of prospective partners and vendors shifts," DeVaney said. "The institutional north star should remain."



Read more by *Mark Lieberman*

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