

# The Latest in Corporate-College Partnerships

Businesses are hooking up with universities to ramp up learning. Here are some criteria for selecting the right partner.

The days when corporations passively fund tuition-assistance programs are coming to an end.

Now, businesses are managing education through strategic relationships with universities to meet their needs for high-quality management education. Corporations are becoming the customers of education and, as such, are managing university partnerships to meet very specific requirements. I have called these requirements the five Cs of corporate-college partnerships:

By Jeanne C. Meister

**Customer service and e-learner support services.** These make it as easy to enroll in an online program as it is to buy a book at Amazon.com.

**Cohort-based learning.** This is defined as intact groups of adult working students (usually capped at no more than 30) who go through learning programs together, network with each other, and participate in teambuilding experiences.

**Customized programs.** They are tied to pressing business challenges.

**Content.** It should be engaging and self-paced, and it should build a strong community of e-learners.

**Cost-effective pricing.** That includes a special rate for cohort teams and possibly extends this rate to other key stakeholders such as customers, suppliers, and even family members.

The demands from the corporate marketplace are for universities to be flexible, relevant, and accountable to business needs. These corporate demands are coming at a time of unprecedented growth in adult continuing education. Research from Eduventures, an education research firm, estimates that over the next 10 years, the growth in the number of adult students over the age of 25 is going to double compared to the past 10 years, with more working adult students going back to school than at any time in history. Working adults already constitute the majority of college enrollments. More than 45 percent of all U.S. college and university students are 25 years or older. What's more, this growth is occurring in online universities. Eduventures estimates by the year 2004, more than 5 percent of all post-secondary enrollments

in the United States will be for online degree programs.

**Success factors**

Before a company embarks on creating a partnership with any single university or a consortium of universities, it's important to be clear about the success factors.

There are several success factors that can be used by a corporation in building a partnership with a university. The first is communicating a shared vision for success. For a corporation, that means strate-

of customized degree programs." Scholes is leading an effort to develop a carefully honed process to select and manage university partners who share the Ingersoll-Rand vision for growth.

Once the vision behind creating university partnerships is created, next the corporation must define the degree of customization and operational flexibility required from a university. For example, when John Deere wanted to partner with a business school for an eMBA program for a cohort of finance executives,

the company required the development of nine new customized online courses before it entered into a partnership with Indiana University Kelly School of Management. These nine new online courses became electives in the Indiana University eMBA program. The remainder of the eMBA program consisted of courses Indiana University already had developed but were able to modify based upon direction from John Deere management.

## Five Dimensions to Success in Corporate/College Partnerships



gically managing the investment in higher education and making that investment fit a specific set of business goals. Gillian Scholes, director of Ingersoll-Rand HR and responsible for Ingersoll-Rand University as well as all tuition-assistance programs, says, "While Ingersoll-Rand has nurtured a network of universities to recruit new hires, our goal is now to strategically manage our investment in higher education. This starts with developing a set of selection criteria and then systemically determining the optimal network of universities for recruitment and the creation

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**Provide** a private cohort group with secure collaboration tools for better open communication.

**Integrate** company-specific readings, discussions, and examples in courses.

**Include** assignments and group projects that focus on your company's critical business issues.

**Design** a delivery schedule to fit the company's business calendar.

**Use** the corporation's campus to provide onsite delivery of programs.

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At the start of the partnership, all of the key stakeholders should meet to assign roles and responsibilities with a champion named from both the corporation and the university. Billy Williams, manager of Arizona State University's eMBA program, is that kind of hands-on manager. Williams routinely monitors student performance and activity in the Chevron Texaco-ASU partnership, as well as collaborates with Chevron Texaco management to identify useful applied projects. "Corporations always ask me about the ROI of an eMBA program, and the first thing I stress is the strong management support that is needed on the corporate side as well as the university side. There's no such thing as an ROI recipe. Success demands active participation from top managers to identify a project that will jump-start a corporate initiative, such as devising marketing strategies for entering a new country or identifying cost-saving opportunities in a plant," says Williams.

The next goal is for the corporation and a university partner to mutually devise a recruitment and marketing program to communicate the benefits of a corporate-college partnership. Indiana University Kelly School of Management marketing director Meghan Boston emphasizes the importance of starting early to reach out to employees about a new university partnership. In fact, Boston recommends creating a marketing campaign at least six months prior to the start date of the program so employees understand the benefits, nomination process, and admission requirements of the university. The components of a marketing campaign are blended just as the delivery format for the eMBA. The campaign includes town hall meetings on site, printed and email brochures, and a special Website created to market the benefits of attending a customized eMBA program.

To date, Indiana University has more than 450 e-learners for the eMBA at General Motors and John Deere.

The metrics for success must be defined early and managed throughout the partnership. That usually starts with early involvement of the faculty and the management team to brainstorm objectives for the final project known as the Applied or Capstone Project. This final project should focus on a pressing business challenge facing the corporation and have a top manager as a sponsor.

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The goal of management involvement is to define a Capstone Project that is currently critical, such as developing a marketing strategy for entry into a new country or examining the costs and benefits of a new acquisition. Top managers aren't as interested in large ROI percentages as much as they are in using the resources of an eMBA cohort team to work on a business challenge they're struggling with in the organization.

#### Selecting the university

Once the goals of the corporate-college partnership are delineated, then the cor-

poration is ready to draft a set of specific selection criteria a university must have for the partnership. What's interesting is how the process of defining selection criteria for a university partnership is becoming similar to the process a corporation uses for sourcing capital requests. Ingersoll-Rand's Scholes refers to the selection of a university partner as the "human resource equivalent of a capital request for a new plant vendor. We included on our team a senior sourcing specialist who created a decision scorecard matrix to assist us in selecting a university partner."

This trend of corporations becoming astute "customers of education" is taking hold across many organizations. It is being driven by the need for corporations to be accountable for how they invest in their human capital. Eduventures estimates that U.S.-based corporations annually spend more than US\$10 billion dollars on tuition-assistance programs, but often these dollars are fragmented, redundant, and don't align to business goals. Just as the corporate training budget has come under pressure to be linked to business strategy, tuition-assistance programs are now required to be a strategic activity rather than an employee entitlement.

The first step in proactive management of tuition-assistance programs is to define the selection criteria a university must have in order to make the corporate-college partnership successful. We've created eight critical selection criteria based on research and client work in creating corporate-college partnerships.

**Brand.** The brand of the university includes its reputation, rankings in the media for undergraduate and graduate programs, and track record with designing and managing customized corporate programs, as well as the university commitment to recruiting quality faculty.

**Financial stability.** The financial health of a university is especially relevant if a corporation selects a for-profit university or a privately funded for-profit education

## Critical Selection Criteria

### Brand

- Reputation of the organization
- Quality of the programs
- Rankings/awards
- Financial health

### Program

- Global appropriateness
- High degree of interaction
- Ease of use in program Website
- Accreditation

### Financials

- Percent revenue generated by corporate programs
- Percent revenue generated online
- Tuition discounts, employees, partners

### Faculty

- Faculty relevant to business
- Faculty-student ratio
- Faculty training for online instruction

### Technology

- Compatibility with existing technology
- Course management system (CMS)
- Functionality
- SCORM compliance
- Technology investments, current and planned

### Measurement

- Online student retention rates
- Outcome assessments
- Capstone project fit with corporate goals
- SCORM compliance
- Measurement in place for peer and faculty evaluations

### Learner Support

- E-libraries
- E-mentoring
- Support services online

### Customization

- Customization of cases
- Fit with corporate strategy
- Corporate faculty as speakers
- Personalized marketing

firm. For example, a corporation should probe university financials such as revenue growth, margin, current cash position, number and growth of enrollments, number and type of corporate clients, and venture firms providing financial backing to the university.

**Ranking, awards, accreditation.** All universities should provide details to corporate partners on their accreditation and their ranking in relevant media such as *Business Week*, *Financial Times*, *Forbes*, *U.S. News & World Report*, *Web Marketing Association*, and the *INC*. 500 listing of for-profit universities. Interestingly, corporations are beginning to use the media rankings just as parents do in making decisions about various universities.

**Program.** The track record of the uni-

versity to work with corporate clients is critical. Corporations should investigate such areas as the percentage of university revenue generated from corporate clients, the number and type of customized programs that have already been developed for corporate clients, and the types of industries the university has been accustomed to working in.

### Track record with corporate clients.

It's common for universities to give corporate references for whom they've created customized corporate education either at the degree or nondegree level. That also means allowing a corporation to view private areas of the university Website and online learner support services.

### Multiple languages, global focus.

The university should have experience in

servicing the needs of global employees. Though most of the programs offered by U.S.-based schools are in English, the university must be sensitive to foreign cultures in the design of the courses and in the expectations of the threaded discussions.

**Financials.** The cost of the program on a per-student basis should be carefully detailed along with any additional technology needed, plus the cost of books, reference materials, travel for residential stays, and travel for the final Capstone Project.

In addition, some corporations are demanding tuition discounts for committing a cohort group of up to 30 employees to a program. This tuition discount can be extended to a corporation's partners as well as to employees' family members. These special rates usually vary state by state, but it's worth exploring if a university can be flexible on tuition rates.

**Faculty.** Universities that offer eMBA programs usually have rigorous programs to train faculty to teach online. Some universities require the completion of a certification program for their faculty before teaching online. In addition, it's important to know how much a university relies on adjunct faculty to teach online courses. Some universities, such as Arizona State University and Indiana University, are differentiating themselves by using the same business-school faculty to teach residential and online courses.

**Technology.** If a university partner is delivering an online degree or a certificate program, it's critical to detail precisely how the program will be delivered—asynchronous or synchronous, blended, percentage of time onsite either at the university campus or corporate university, and mix of media used by the university: Web, MP3 for audio clips, Webcasts for subject matter experts. It's that media mix that will help create a community of e-learners who

support each other during the term of the program.

The online university will be compatible with the corporation's existing technology, including its LMS (learning management system) and online collaboration tools. In addition, the university should disclose current and planned technology investments, such as new Webcast suppliers or course management systems updates.

**Measurement.** The university must be able to document the value of its corporate programs, but that has to be a joint partnership between the corporation and the university. According to the "ASTD 2002 State of the Industry Report," only one third of the companies profiled tried to measure learning effectiveness; less than 12 percent measured the impact of learning on job or business performance. That is slowly changing as more companies create governing boards of top executives to provide input on linking learning to business goals, but the commitment of the university to work with corporate partners on defining measures must be part of the due-diligence process.

**Learner support services.** Learners require a great deal of support online, and those universities that have been able to replicate brick-and-mortar services online are meeting with success and improved retention rates. Some of the learning support services that can be delivered online are

- e-bookstore—access to an online bookstore for books, e-books, and courses materials
- e-library—access to an online library
- e-admissions—ability for learners to complete their entire admissions application online
- e-financial aid—ability for learners to complete their financial-aid application online
- robust online community—includes such capabilities as the ability to create, view, and sort discussion archives, view

searchable forums via keyword, participate in synchronous chat rooms, and create and view private discussion areas available only to the student and instructor

- access to resource packs of customized e-books and customized reference materials.

**Customization.** Customization and operational flexibility in working with a corporate partner are critical to the success of a corporate-college partnership. That flexibility can range from evaluating corporate training programs for college credit to the development of a customized degree program for an industry.

- customized marketing materials targeted to various segments of the marketplace, such as employees and value chain members.

Taken together, those selection criteria can form the basis to start an RFP process in which a corporation identifies an optimal university partner or network of partners.

### Degree program for an industry

The emphasis on managing higher education as a strategic activity can lead some corporations to create new degree programs for their industry. That is the case

## Real-World Partnerships

Corporation	University	Degree
ST Microelectronics	Ecole Nationale Supérieure de Physique de Marseille	New master's degree in microelectronics, technology, and manufacturing management
LVMH	ESSEC Business School	MBA with a customization in luxury goods management
John Deere	Indiana University Kelly School of Management	MBA customized for finance professionals at John Deere

Other types of customization services are

- customized content, case studies, course materials, and readings
- company-specific team exercises and collaboration tools for cohort groups that go through a program together
- online class discussion targeting company specific issues and industry challenges
- customized master's degree targeting the needs of a specific job family such as supply-chain management and financial professionals

for ST Microelectronics University, the corporate university of ST Microelectronics, the third largest chipmaker in the world. In 2001, STU identified a need to create an entirely new master's degree in microelectronics technology and manufacturing management for ST Microelectronics employees, as well as for customers, suppliers, and engineering students. According to Jean Claude Nataf, head of STU, the primary driver to create this new degree program was an urgent need to build a pool of highly

skilled operational engineers having a discrete set of technical, managerial, and experimental skills not currently offered by any one university.

So, STU partnered with Ecole Nationale Supérieure de Physique de Marseille (ENSPM) and Ecole Supérieure d'Ingenieurs de Marseille (ESIM), French technical universities. These universities assisted STU and a consortium of academics and subject matter experts from the semiconductor industry to create this new degree program. To date, about 30 percent of the participants are ST employees. The rest are employees of suppliers and unaffiliated students who have completed undergraduate engineering degree. One benefit that has emerged from this innovative partnership between a

corporation and a consortium of universities is that the degree program brings in revenue to STU. "STU is moving toward a self-funded model, so this program gives it external funding [we can] use to fund other learning programs. Our goal is 15 percent of our funding provided by outsiders by [end of] 2003, and this innovative program is helping us to achieve that," says Nataf.

STU isn't alone in its innovative approach to creating a new degree program. LVMH, the luxury goods retailer known as Louis Vuitton, has partnered with ESSEC, the French business school, to create an MBA degree specializing in luxury goods management. The degree concentrates on issues pertaining to the management of luxury brands.

Each year, LVMH recruits at least two to three graduate students to become full-time LVMH employees.

John Deere Corporation is another organization that has partnered with Indiana University Kelly School of Management to create a customized MBA for its finance professionals. Though it's not an open program as is the case of ST Microelectronics and LVMH, it follows a similar philosophy: customization to a unique set of business needs and accountable to the strategy as set forth by senior managers. These alliances represent the future as corporations take on a more proactive role in partnering with academia. **TD**

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