

Blue Ocean Program and Curriculum Design

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Abstract

The competition in distance education is increasingly fierce, the investments significant, and the stakes high, all of which demand differentiation and innovation in programs and curriculum. This paper proposes the application of Blue Ocean strategies to design of programs and curriculum in an effort to better enhance an institution's sustainability and profitability in the coming years.

Introduction

Once again it seems we are embarking on a period of time during which the very survival of some institutions of higher learning will be at stake. Over the last twenty years Accelerated Adult Degree Completion programs rescued many smaller institutions from being overwhelmed by financial exigency. It may well be that this cash cow has been milked out, with the market becoming saturated with similar offerings and the prime candidates for intensive accelerated learning now degreed and looking at or pursuing Master's degrees. Once again we are faced with a critical need for development and designing of programs and curriculum that meet the needs of the market, maintain quality in learning, and provide resources for the subsidizing of expensive traditional education. It is the thesis of this paper that an understanding and adoption of Blue Ocean strategies might enable the smaller institutions to thrive in the world of a growing market and growing competition.

Growth of the Market

The market for distance education is expanding rather rapidly. According to Allen and Seaman (2006) 3.2 million students took at least one online course during the fall 2005, an increase of more than 800,000 students "more than twice the number added in any previous year" (p. 1). The higher education student population is now estimated to be 17 million of which nearly 17% are engaged in online learning, with no plateau in sight in the near term (p. 5). Clearly there is an expanding market for distance education especially that directed toward online learning. Given that one-half of these students were at Associate degree institutions it is reasonable to assume that there are more online students in the pipeline for 4 year institutions of higher learning.

Growth in Competition

As the market grows so does the competition; Allen and Seaman (2006) also note that the primary providers of online education are the large Research/Doctoral institutions both public and private, profit and non-profit, in fact 96% of these institutions (greater than 15, 000 enrollments) have online courses, which is double the rate of the smallest institutions (p.2). Recent changes in the Department of Education requirements, and the growth in profits and resources in the for profit sector promise to increase the competition for the student. Some suggest education runs the risk of becoming commodified which is important to the issues addressed in this paper. Finally, the number of institutions who consider online learning as a critical long-term strategy for their institution is now 58.4% versus 48.8 % three short years ago.

Kim and Marborgne (2005) speak of the "rising imperative of creating Blue Oceans, suggest global competition is intensifying and the "result has been an accelerated commoditization of products and services, increasing price wars, and shrinking profit margins" (p.8). It appears the same phenomenon is occurring in higher education, i.e. accelerated programs, packaged curriculum, facilitators replacing instructors, the replacement of people with reusable media, the unbundling of the professor into subject

matter expert, instructional designer, media specialists etc.. These in effect have created a Red Ocean of competition within the higher learning field.

Definition of Red Ocean

Kim and Marborgne (2005) define the Red Ocean as the arena in which most companies, and by extension, the arena most institutions of higher learning operate in and compete. The current landscape of higher education seems to be competition in the same basic market (adult students needing to complete their degree) with the same basic products (administrative leadership, organizational development, management, nursing, etc.) attempting to exploit the existing demand by trading off value and cost. By this definition there is limited growth and profit potential for the smaller institution of higher learning to compete with the scaling possible for the large public and private, profit and non-profit, Research/Doctoral University.

Definition of Blue Ocean

By contrast if the institution understands and adopts a Blue Ocean strategy the institutions searches for those markets that are uncontested or unexplored, the attractive markets made up of non-customers and refusing-customers (current offering do not fit or do not appeal to these people). The Blue Ocean strategy approach makes the competition irrelevant through leaps in value and innovation when coupled with lower costs. These strategies do not trade value for lower cost, rather through efficiency in production, speed to market, and low cost to buyer the institution creates differentiation at the same time competitors are forced into playing catch-up. In essence Blue Ocean strategies create a playground for the little guy that can maximize profitable growth.

How?

The use of a strategy canvas as both a diagnostic and an action framework is foundational to creating Blue Ocean strategies. Kim and Marborgne (2005) indicate the strategy canvas “captures the current state of play in the known market space” (p. 25) by identifying the factors being competed on, and “captures the offering level that buyers receive across all the competing factors” (p. 27). Use the horizontal axis to identify what the areas of competition are i.e. financial aid, access, branding, student services, tuition/fees, subject, etc.. Use the vertical axis to identify the level at which each of your competitors competes in each of those categories. Connecting the dots provides a value curve that either converges or diverges on the identified factors. To shift your strategy to a Blue Ocean determine which of the following four actions are needed: which factors should be reduced well below the industry standard levels, which factors should be created that industry does not currently offer, which factors should be raised well above the industry standards, and which factors does the industry take for granted that can be eliminated. Looking at education, Blue Ocean strategies one might contemplate include changing the level of competition on such factors as, delivery methods, program subject matter, course topics, the cost to develop, the level of programs offered, niche markets, barrier leapers, etc.

According to Kim and Mauborgne (2005) effective Blue Ocean strategies have “three complimentary qualities, focus, divergence, and a compelling tagline” (p.37). Designing programs and curriculum that incorporate these three qualities can place your institution and programs in a Blue Ocean that enhances returns on resource investments and assures long term sustainability and growth.

Example – Museum Emphasis (<http://www.ou.edu/cls/prospective.old/Masters/museum.html>)

The Museum Studies program within the Master of Arts in Liberal Studies at the University of Oklahoma, College of Liberal Studies provides an appropriate example of a Blue Ocean design of a program. This program grew out of a track in the Master of Liberal Studies degree in Administrative Leadership – Museum Emphasis. This program does not impinge on any one particular academic program at the University (if you compete internally the sharks will eat you), though it does cross the boundaries of several departments within the University. As a program it draws on the human and artifact resources of several significant entities within the university, Fred Jones Jr. Art Center, the Western History Collection, the History of Science Collection, and the Sam Noble Museum of Natural History. This program reaches an untapped market for there are few Graduate programs in Museum Studies and perhaps no fully online degree programs. The administration had prior experience (delivery and subject) with Master’s level online Museum Emphasis programs, and we have a relatively untapped faculty pool of energized participants for oversight and instruction, who created and edit an online Museum Leadership Journal. Though the market

is not huge by today's standards it is large enough to provide long term sustainability and growth for the College of Liberal Studies.

Conclusion

Kim and Mauborgne (2005) encourage and challenge companies to “break out of the Red Oceans of bloody competition” and into the playground of the little guy “by creating uncontested market space that makes the competition irrelevant” (p. x). In the higher education landscape of hotly contested arenas that change rapidly and dramatically, finding the Blue Ocean strategy for design of programs and curriculum has never been more critical.

Reference List

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