

## **Megatrends in e-learning provision**

### **E-learning initiatives which were discontinued because they failed to reach targeted goals**

#### **The Alliance for Lifelong Learning**

##### **Introduction**

The Alliance for Lifelong Learning was founded on 28 September 2000.

It was founded by Stanford University from California, USA, Oxford University from Oxford, England, Yale University of New Haven, Connecticut, USA and Princeton University of New Jersey, USA.

It ceased activities in late 2005 and was officially closed in March 2006.

##### **Historical context**

The Alliance for Lifelong Learning was founded in September 2000.

Its role was described thus:

Oxford, Princeton, Stanford and Yale universities announced today that they would each provide \$3 million to launch their "distance learning" venture to provide on-line courses in the arts and sciences to their combined 500,000 alumni.

The Alliance will offer non-credit courses to the alumni, taking advantage of emerging technologies to give the graduates convenient access to their schools' extraordinary resources. The four universities recognize the potential appeal of the Alliance's educational opportunities to other audiences seeking ongoing personal enrichment, and they plan in the future to make their offerings available to a wider public.

The Alliance will provide on-line courses and interactive seminars; multi-media programs; topical Web sites that include links to research information; live and taped coverage of campus speakers, exhibitions, and other events; lectures on tape; and other offerings. The member universities and their faculties will control the content of the courses and other educational products offered, ensuring that they meet the highest standards.

Four of the world's leading educationalists spoke of its importance:

President Harold T. Shapiro, President of Princeton University said:

At Princeton, we believe the alliance with our peer institutions will assist us to extend and enhance our central commitments to teaching and learning. Our two primary objectives are to provide the best learning experiences that we can to our students and alumni and to enable faculty members to explore new methods which may enhance the teaching and research they are able to carry out. The use of electronic and other media offers the promise of extending in exciting new ways the University's commitments to develop and disseminate knowledge. We want to insure that our faculty and students have the opportunity to take full advantage of instructional possibilities -- and, indeed, to imagine and develop new possibilities.

Dr Colin Lucas, Vice-Chancellor of the University of Oxford stated:

We believe that a service such as this -- offering access to the educational resources of four of the world's top Universities -- will have global appeal. The internationally acknowledged pioneering work of our Technology-Assisted Lifelong Learning Programme will underpin Oxford's contribution. The Alliance offers us exciting opportunities to expand the services we offer and we look forward to developing this partnership to its full potential, in the context of our wide range of distance learning programmes.

The President of Stanford University, John L. Hennessy added:

We are delighted to be a part of this new initiative to expand the boundaries of distance learning and provide our alumni with the experience of intellectual vitality and creativity that our four universities can provide. From the beginning, Stanford has sought ways to extend the power of education to those who might not otherwise have the opportunity. Furthermore, Stanford has been one of the pioneers in using the Internet as yet another means to share that knowledge. I am hopeful that the extraordinary courses and programs that our four institutions offer will find an even broader audience through the Alliance.

Dr Richard C Levin, President of Yale University stated:

Yale's success has always relied significantly on the guidance and support of its alumni, and we are eager to meet their strong interest in lifelong educational enrichment. They are our partners in this new effort, and they will help us determine

the most rewarding course for distance learning -- not only for them, but potentially for students on campus as well as for a wider public across the country and around the world. We expect this Alliance of four great universities to play an important role in setting the standard for distance education in the arts and sciences. By cooperating, we believe we can contribute far more than could any one institution acting alone.

The first difficulty came within a few months of the foundation with the withdrawal of Princeton University. The loss of such a prestigious partner at such an early stage was a warning sign. Princeton's reasons for withdrawal were given as:

The Alliance was launched at a time when there was a belief that online education was going to be a very important vehicle for distributing learning. Because of the economic situation today, that hasn't turned out to be the case--at least not yet.

The next change came in autumn 2002 when the initial targets for the courses, the alumni of the four (three) universities, was changed to the general public – a sure sign that the Alliance was not reaching its enrolment targets. About this time it tried to rebrand itself and traded under the name Alllearn.

In March 2005 Alllearn widened its target audience again to include high school students and launched its first courses in this area in Summer 2005.

Alllearn ceased its operations in December 2005 and was officially closed early in 2006. Jokivirta (2006) comments: After almost five years in operation, the three universities released a joint statement concluding that "the cost of offering top-quality enrichment courses at affordable prices was not sustainable over time." Following a series of collapsed e-university ventures from U.S. universities (e.g. NYU Online, Fathom, Virtual Temple, and University of Maryland University College Online), AllLearn is another major product of the dot-com boom to fold.

### **Technical issues**

Oxford, Princeton and Yale were not well known as distance education providers, though Stanford had been for many years a leader in the US distance learning field.

Jokivirta comments: Starting small and focusing on a more receptive alumni market, AllLearn exhibited several important characteristics as a potentially successful online venture. Over the past five years, AllLearn offered 110 online courses to more than 10,000 students from 70 countries. The median age of learners was around 47. The business model was based on a flexible approach to delivery and technology. AllLearn offered shorter duration courses lasting from five to 10 weeks. In order to ensure access to students

with a slow internet connection, AllLearn provided the option of substituting high-bandwidth features such as rich media.

A range of delivery modes (e.g. CD-ROM) were made available, although the internet was the central medium of instruction. The AllLearn brand was backed by its association with three elite universities and gained visibility through extensive marketing initiatives such as advertising in specialized and general interest magazines, pre-established links with university networks, etc. What set AllLearn apart from other online ventures was also the direct involvement and support of the partner universities. Top-level professors and subject-area experts from all three institutions were active in course content creation. AllLearn courses were also more cost-effective than the online continuous study program offered independently by the three universities, although there was a rise in costs over the five-year period.

## **Courses**

The online venture was initially established with alumni as the target audience, but in the autumn of 2002, the online venture adopted the name Alllearn in an effort to improve brand visibility and opened its provision to the general public.

The courses were initially destined for the past-students, said to be 500.000 in number of Oxford, Stanford, Princeton and Yale.

The course provision was not-for-profit in an educational sector that is normally for profit.

The course provision was in the field of 'edutainment', that is the highly prestigious degree courses and awards of Oxford, Stanford, Princeton and Yale were not available.

Provision focused on general interest courses rather than conventional higher education qualifications, primarily in humanities and social sciences. The venture's website claimed to offer the full range of academic subjects from "archaeology to zoology," with sample courses including "The History of Spies," "Understanding Beethoven" and "Poets of the First World War." Course content was developed by faculty members of the three universities, and free public access was made available to a unique online library of some 12,000 academic websites.

## **Management, strategy and attitudes**

The support of world leading educationalists, the Presidents and the Vice-Chancellors of the constituent universities has already been indicated.

The development of course materials by faculty members of the constituent universities is another indication that there was backing for the venture by the universities concerned.

Another indication of the support of senior management is the lack of information on the university websites indicating that AllLearn has closed. This brief indication is from *The Chronicle for Higher Education*.

A nonprofit venture by the University of Oxford, and Stanford and Yale Universities to provide online noncredit courses to the public has closed, citing financial woes. The enterprise, known as the Alliance for Lifelong Learning Inc., or AllLearn, posted a message on its Web site this month saying it had folded because "the cost of offering top-quality enrichment courses at affordable prices was not sustainable over time." S. Kristin Kim, who had served as president of AllLearn since November 2002, reiterated that message in an interview.

## **Economy**

The official reason why the four prestigious universities closed their e-learning operation was 'the cost of offering top-quality enrichment courses at affordable prices was not sustainable over time'.

It is known that AllLearn commenced with a budget of \$12,000,000 with each constituent university providing \$3,000,000. Tuition fees were initially set at a standard rate of \$195 for alumni and \$250 for the general public, plus variable "material fees" ranging from \$11.95 to \$49.95.

Courses are reported to have cost between \$10,000-\$150,000 to produce--which based on tuition income alone would have required between 40 and 600 enrollments per course to break even. By 2004-05, tuition costs had risen significantly and varied by course, but examples include \$975 plus \$83 in materials' fees for an eight-week "Travel and Adventure Writing" course or \$895 (up from \$249 in 2002-03) for a 10-week course on "Encountering Homer's Odyssey." By June 2005, AllLearn had incurred a deficit of \$783,410, with a revenue of \$2.5 million and expenses totalling \$3.28 million.

The project's founders appear to have underestimated the costs of designing online courses and overestimated the number of students willing to pay tuition costs, writes Jokivirta. Lack of interest, rather than lack of status or brand visibility, has been cited as the primary reason behind AllLearn's failure to meet enrollment targets. Some argue that AllLearn's demise can be in large part attributed to its non-credit course offerings. Many who enroll in online courses are vying for jobs in a competitive market. They are seeking university qualifications, particularly from "elite universities," such as those involved in the venture. AllLearn was backed by the prestige of its partner institutions, but the company might have been hard-pressed to "sell" the value of the non-credit courses rather than a degree with the "elite university" seal.

## **Conclusion**

This report carries a warning note for all those thinking of starting an e-learning initiative. If four of the world's most famous, most prestigious and most successful universities have failed to reach targeted goals and failed to find sufficient student numbers, what chance is there for less famous, less prestigious and less successful institutions?

In the *Stanford Daily Online* Denise Sohn comments:

Thanks to the Alliance for Lifelong Learning, several hundred members of the public have been able to take noncredit courses through Stanford, Oxford and Yale over the last six years. But due to recent financial complications, the venture has been discontinued.

The Alliance for Lifelong Learning (AllLearn) was a “nonprofit venture by Oxford, Stanford and Yale to provide online noncredit courses to the public,” according to a recent article in *The Chronicle for Higher Education*. AllLearn was described as an “online learning consortium” by Associate Provost for Continuing Studies Charles Junkerman.

The program ran into financial troubles because the “courses needed to be priced at a certain level,” Junkerman said. “The general consensus is that students will pay for an online course if it will contribute to professional development or has measurable benefits.” He added that online courses in applied fields, such as engineering or business, were generally much more successful, while attempts at liberal arts courses were typically not.

Junkerman compared AllLearn to the Continuing Studies program offered through Stanford. While both programs target the same audience and focus principally on liberal arts, Continuing Studies has enjoyed considerably more success. The Continuing Studies program offers 90 to 100 courses per quarter, and involves 7,000 to 8,000 students per year. The difference, Junkerman said, was that the Continuing Studies courses were on campus and included a social and community experience.

McLeod, from the United Kingdom sums up the situation:

An e-learning venture by Oxford University, with Yale and Stanford in the US, has folded after failing to attract enough students.

A joint announcement was slipped out quietly by the three universities, which face an embarrassing blow to their prestige. The failure follows the collapse of a series of American university ventures and the £62m debacle of the UK's e-University. Oxford today declined to disclose how much money it lost on the AllLearn project, launched in the heady days of the dotcom boom in 2001.

By June 2005, AllLearn had incurred a deficit of \$783,410, with a revenue of \$2.5m and expenses totalling \$3.28m, according to the London-based Observatory on Borderless Higher Education, which monitors international developments in distance learning.

In a statement on the AllLearn website, S Kristin Kim, president of the company, said it had offered 110 online courses from Oxford, Stanford, and Yale universities to more than 10,000 participants from 70 countries during the past five years. “As we looked to the future, the cost of offering top-quality enrichment courses at affordable prices was not sustainable over time.”

AllLearn offered courses in general interest subject areas, such as archaeology or first world war poets, originally targeted at alumni of the three universities. The universities then tried to broaden the appeal to the general public and school students.

Ms Kim said the experience gained by AllLearn would be used by the individual universities to improve their own online courses.

A spokeswoman for Oxford said today: "Oxford remains fully committed to providing high quality online learning through the university's department for continuing education. In fact, over the next 12 months, 18 new courses will be launched, from statistics for health researchers to northern Renaissance art, and the origins of human behaviour to nanotechnology."

Lisa Jokivirta, of the Observatory, said: "From the outset, there were signs that AllLearn's enrolment targets were not being met."

Princeton University had initially been an institutional partner, but backed out within a few months following an initial intake of 600 students.

The optimism about online learning at the time has not been fulfilled and Oxford follows a series of American universities in getting its fingers burnt following the collapse of NYU Online, Fathom (set up by Columbia University and the London School of Economics), Virtual Temple and University of Maryland University College Online. Unlike them, however, AllLearn was not intended to generate large profits. Fathom closed in 2003 despite attracting 65,000 students to more than 2,000 online courses and \$25m in investment. New York University invested \$25m to establish the for-profit distance learning company NYU Online, but this collapsed in 2001.

Very few financial details have been disclosed, but AllLearn is reported to have been backed by \$12m in start-up funding and "operated on a budget that is much smaller than many other online education ventures", noted Ms Jokivirta.

She added: "The project's founders appear to have underestimated the costs of designing online courses and overestimated the number of students willing to pay tuition costs. Lack of interest, rather than lack of status or brand visibility, has been cited as the primary reason behind AllLearn's failure to meet enrolment targets."

AllLearn attempted to tap into both the pre-university and business markets, but with limited success, said Ms Jokivirta. "As 'edutainment', online learning still finds it difficult to compete with television for consistency and familiarity. Evidence suggests that those enrolled in continuing learning programmes want to watch television-quality broadcasts online, and might find the more cost-efficient audio-taped lectures generally used by online providers less exciting and engaging.

"Institutions offering non-credit courses must generally charge lower tuition fees than providers operating credit courses leading up to a qualification, and the shorter duration of courses compared to degree programmes suggests less tuition revenue. AllLearn's closure suggests that the 'general interest' market for online provision remains unproven, although this may change over time as the educational value of broadband is further explored."

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