



EDUCATION AND CULTURE

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Project: Megatrends in E-Learning Provision

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Discontinued Initiatives

IT Fornebu Knowation (and Bedriftsuniversitetet)

Introduction

In October 1998 a new main airport was opened at Gardermoen, north of the capitol of Norway. When Oslo Airport Gardermoen opened, the area of the old airport at Fornebu, on the Oslo Fjord, was free for other purposes. The decision by the Norwegian Parliament to move the main airport from Fornebu to Gardermoen started an intense period of planning and discussion on how to develop the area of Fornebu after the closing of the airport. Fornebu is an extremely attractive area, nicely situated by the fjord and close to the capitol. A lot of potential stakeholders were interested in the area for property development. The Norwegian telecom company Telenor, decided to move its headquarters to Fornebu, and other companies were expected to do the same.

Historical Context

The closing of Fornebu airport happened in a period of very high expectations of what information technology could achieve in business, learning etc. It was the time of “dot com” and IT hype, both in Norway and elsewhere. In the late 90s the dominant theme in the Norwegian educational policy was the Competence Reform. This reform stressed the importance of lifelong learning and cooperation between institutions of secondary and higher education and industry. E-learning was regarded as a key element in realizing the new lifelong learning policies.

In 1995, ship owner Fred. Olsen and a group of investors proposed to create a world-class centre for information technology and research at Fornebu. This centre was to include top level education, research and business innovation. Fred. Olsen and the investors also wanted to attract international businesses and researchers. These plans stirred up a lot of debate and controversy, both politically and in education and business. Some critics claimed that the main objective of the proposed project was to secure control over a neighbourhood of extremely attractive real estate properties. However, in the autumn of 1997, the plan of creating the IT Fornebu centre was supported by a majority in the Norwegian Parliament as a part of the 1998 national budget determination. The development of IT Fornebu was financed by a combination of private and public capital. An important element of the planning was to create alliances with existing businesses, universities, etc.

IT Fornebu Knowation (ITFK) was the e-learning part of IT Fornebu. ITFK was established as a limited company in October 1998. The company managed to obtain a total of 9 million euros in capital. The company also planed to buy some existing course providers, like Telenor

Competence, and to establish collaborations with other providers of education and training, such as universities. ITFK did not succeed. In June 2001 ITFK went bankrupt and closed down its activities.

The ITFK Initiative: Technical, Organizational and Economical Issues

The ITFK initiative never really managed to develop and deliver many courses. Their vision was based on the idea of developing a network of study centres with video-conferencing studios in the various regions of Norway. These centres were referred to as “electronic classrooms”. One such centre was established in Vadsoe in northern Norway, in collaboration with the town council. The ITFK study centres were to have their own special design in furniture, video-conferencing and ICT facilities. Because of financial problems the ITFK had to abandon their plans of building a nationwide network of study centres.

The ITFK stressed the importance of F2F meetings for students and teachers, in combination with pure e-learning. This combined or blended learning approach is the dominant form of open and distance learning in Norway. The focus on video-conferencing and “electronic classrooms” with a special design was a more distinctive element in the ITFK pedagogical thinking. This way of organizing learning was criticised by many in the established e-learning and distance education community for being “pedagogically old-fashioned” and inflexible. The plans for building a network of study centres were criticised for being a waste of money. Norway already had a lot of study centres and video-conferencing facilities in libraries, schools and regional study centres. “Why not use these?” the critics asked.

It was important for ITFK to establish collaborative relations with both providers and customers in the competence market. ITFK managed to sign some contracts for collaboration with some municipalities. They also tried to buy some existing private course providers. Regarding large providers like universities, ITFK did not manage to establish any collaboration. The reaction of existing institutions of higher education towards ITFK was rather hostile. Universities and colleges, both public and private, did not see the point of ITFK. ITFK found it hard to explain why institutions of higher education should provide content to the ITFK activity. What would be the added value provided by ITFK? Wasn't it better for universities and colleges to provide courses themselves, thereby interacting directly with the customers? Failing to address these questions, ITFK never managed to establish a good working relationship with the educational system. Institutions of higher education regarded ITFK as a redundant organization established by businessmen with little competence in both information technology and education, supported by equally incompetent politicians.

Evaluating What Went Wrong

Both ITFK and the broader IT Fornebu Project have been analysed and evaluated quite thoroughly.

In a report from the board of IT Fornebu ltd. in February 2004, the following reasons for the failure of ITFK were presented:

1. The Competence Reform (on continuing education and lifelong learning) failed and the market for continuing education was reduced rather than increased.
2. The general ICT market failed by 30-40 % during the period of ITFK's existence, resulting in an even larger reduction in the ICT continuing education market than in the general continuing education market.

3. The costs of developing electronic classrooms and study centres were higher than the original estimates, thus making it more difficult for the centres to be profitable.

In 2003, the Norwegian Parliament asked the government for an evaluation of the total IT Fornebu Project. The consultancy organization, Oxford Research, performed the evaluation and the report was presented in February 2004. The government then wrote a White Paper to Parliament about IT Fornebu.

The report from Oxford Research pointed out that IT Fornebu was based on a grand vision of a world-class research and development centre for information and communication technology. However, there was no analysis to show that the need for innovation and business development in Norway could best be served by establishing just this kind of centre at Fornebu. Except for the real estate property development part of the project, the vision was rather vague. The IT Fornebu approach had been without any clear priorities and few specific strategies to maintain a clear focus in executing the project. The result was “a loss of visionary focus”. Oxford Research thought that this partly was a result of a) international marketing activities being dropped b) failing to attract research and education activities to the Fornebu centre (except for the Simula centre, a centre for basic research in information technology) and c) giving up the plans for a national centre for continuing education and e-learning.

The government’s White Paper on IT Fornebu was discussed in Parliament in December 2004. The end result was that Parliament decided to terminate the Norwegian government’s involvement in the IT Fornebu Project. A strong majority in Parliament stressed that IT Fornebu ltd. itself had to be responsible for realizing the vision of a world-class knowledge centre. Having already allotted about 50 million euros to the project, the Parliament did not want to use any further public funding on IT Fornebu.

Some Words on Bedriftsuniversitetet

As described above, the reactions of the existing institutions of higher education towards ITFK were hostile. Universities and colleges did not see the point of the ITFK concept. As an alternative, three of the largest and most prestigious institutions of higher education in Norway and a well-known research institute established a limited company in 2002, to be located in the Fornebu area. The aim of the company was to offer tailor-made online and continuing education to corporations and businesses. The institutions involved were the University of Oslo, the Norwegian University of Science and Technology, the BI Norwegian School of Management (one of the Norwegian mega providers) and SINTEF research institute. The company was called Bedriftsuniversitetet, which means “the business university”. Bedriftsuniversitetet received some funding from the Norwegian Ministry of Education and Research. The Ministry wanted to help existing institutions of higher education establishing activities in the Fornebu area, thereby contributing to the vision of a knowledge centre.

In spite of the powerful and prestigious institutions’ involvement in Bedriftsuniversitetet, the company’s general assembly decided to shut it down in the spring of 2003. A decreasing market for tailor-made continuing education was singled out as the main reason for shutting down the company. The company had also met some internal criticism among the participating institutions, the main point being that the courses offered by the company to a certain extent were in direct competition with continuing education courses being offered by the four institutions themselves. Bedriftsuniversitetet competed with existing universities and

colleges, including the very institutions that owned it, in a decreasing market for online and continuing education. It was therefore a short-lived initiative.

Success and Failure: Lessons Learned

I will try to relate the discontinued experiments at Fornebu to the list of success factors put forward in the Megatrends Project, trying to identify the main reasons for its failure. I will also present some additional factors.

Regarding IT Fornebu Knowation, the following important success factors were inadequately fulfilled:

IT Forneby Knowation

A. Historical context

1. Long history in online/distance/flexible education:

ITFK was a completely new organization with no history and experience in the field.

2. High competence in online education:

ITFK had rather limited knowledge and competence in online education, its main concept being based on study centres and electronic classrooms. Eventually ITFK hired some experts with high competence in the field, but by then it was already too late to succeed.

3. Evolutionary development:

ITFK was not the result of an evolutionary and incremental development process. ITFK was established on the basis of a vision by a small number of investors and entrepreneurs with little or no experience in the field of e-learning.

4. Continuing research and evaluation related to e-learning and online education:

ITFK eventually engaged some people with research expertise, but research and evaluation seem to have played a minor role in the ITFK activity.

B. Technical issues

5. High competence in ICT:

The same applies here as it does for factor 2.

6. Based on standard and widely-used technologies; widely-used technologies enable students to apply the software and hardware they have at their disposal with little need to buy and install additional equipment:

ITFK in part tried to develop electronic classrooms as a key element of their activities, thereby limiting the students' opportunity to use standard and widely-used technologies.

7. Well integrated ICT systems that support online education:

ITFK tried to develop a well integrated system in their electronic classrooms. However, this system seems to have failed as an effective support for online education. The reason for this may be that the concept of using electronic classrooms as a key element in online education was not a very good idea.

8. Effective administrative systems:

We do not have enough information about the ITFK's administrative systems to say anything about this factor.

C. Course issues

9. Wide range of subjects and levels:

Because of ITFK's failure to establish collaborations with universities and other content providers, they did not succeed in developing courses with a wide range of subjects and levels.

10. Wise choice of topics, courses and programmes that are "onlineable":

Because of the failure of factor 9, the alternatives for wise choices were limited.

11. Flexible student start-up and progression:

We do not have any specific information on ITFK in relation to this factor. However, the focus on electronic classrooms and face to face meetings, may suggest a non-flexible start-up strategy.

12. Students' time flexibility leads to asynchronous communication and little focus on synchronous communication technologies:

The focus on electronic classrooms may suggest that ITFK favoured synchronous communication technologies.

D. Management, strategies and attitudes

13. Support from top management:

ITFK had full support from the top management of their owners.

14. Enthusiastic employees who believe in online education (little resistance):

ITFK was established as a new organization. There is all reason to believe that the staff employed really were enthusiastic about developing what they hoped would become an important organization for online learning.

15. Strategies that support online education and employees that are loyal to the strategy:

As already described, the ITFK's strategies were too vague and insufficiently developed, that is, there were no clear and effective strategies for online education. In a situation like this the loyal employees have to work out for themselves what the strategies mean.

16. Focus (strategy, control and management) on quality:

ITFK seems to have a general focus on quality. However, we do not have any specific information about how they worked with quality issues.

17. Effective administrative routines:

We do not have enough information about the ITFK's administrative routines to say anything about this factor.

18. Some sort of industrialization (division of labour, systematization, automation, rationalization, work flow management):

ITFK never reached a stage of industrialization.

19. Focus on predictable and manageable teacher workload:

ITFK's activity never seems to have reached a level where the issue of teacher workload needed to be addressed.

20. Collaboration with other institutions:

ITFK did not succeed in establishing collaboration with a lot of other institutions. Universities and colleges were hostile and refused to provide content to the ITFK operations. Universities and colleges established a common anti-ITFK front, almost like a boycott, headed by the Norwegian Rectors' Conference.

21. High credibility (formal and informal) with the government and public administration:

The IT Fornebu initiative, including ITFK received support from the government. However, this support was controversial and the Norwegian Parliament was divided on the issue. The minority government at the time was forced by Parliament opposition to support IT Fornebu. There was also a lot of negative press coverage on the IT Fornebu issue.

E. Economy issues

22. Cost-effective courses (much learning for money):

Using their own uniquely designed electronic classrooms, instead of utilizing existing infrastructure and widely used technology, was a strategy that made it difficult to develop cost-effective courses.

23. Stable and predictable sources of income from operation of online education:

ITFK did not succeed in securing stable and predictable sources of income. In Norway as elsewhere, we had a decreasing market for continuing education and for ICT. The IT Fornebu initiative had unfortunate timing and when the "dot com" bubble burst in 2001 the road ahead became very difficult.

24. Pressure on the necessity to change to stay in business and flexibility to adapt to changing markets:

ITFK tried to change and adapt to a decreasing market by postponing further establishments of electronic classrooms. However, this was not sufficient to stay in business.

25. Flexible employment and use of part time teaching staff to adapt to changes in market:

This factor does not relate directly to ITFK, as they based their course provision on cooperation with other institutions being providers of content and teachers. If ITFK had succeeded in creating collaborations with the institutions of education, they might have established an effective system for using part time teaching staff to adapt to changing market demands.

Bedriftsuniversitetet

Bedriftsuniversitetet had a lot more history, competence and available content than ITFK, being owned by three of the largest institutions of higher education in Norway and a well renowned research institute. Yet, this initiative was also discontinued. The main explanation here seems to be the decreasing market for continuing education. An additional explanation might be that the idea of creating this company from the start was not a very good one. Some

critics of Bedriftsuniversitetet asked questions such as: “What is the point of establishing a company for continuing education that would actually compete with the educational activities of the very institutions that own it?” As the market failed to grow and even decreased, it became impossible to find an adequate answer to this question.

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