

## Megatrends in e-learning provision

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

#### The Scottish Interactive University

##### Introduction

The Interactive University is a strange name for a new e-University. It lacks both historical and educational strengths. It lacks educational strengths because every contemporary foundation would surely claim that it was 'interactive'. It lacks historical value because every university in the past, no matter how conventional, would still claim that it was interactive.

The Interactive University was started in Scotland on 15 October 2002 and was closed four years later on 17 April 2007.

The following documentation has been used in this account of the failure of the Scottish interactive University:

- The Scotsman (2007) Report that the Interactive university is to shut at the end of May 2007.  
[http://fm.schmoler.net/2007/04/the\\_scotsman\\_re.html](http://fm.schmoler.net/2007/04/the_scotsman_re.html).
- PR Newswire Europe (2002) New Scottish 'university' to promote global learning. *News Release* 15 October 2002.  
<http://www.prnewswire.co.uk/cgi/news/release?id=92446>.
- Bristow, S. F. (2004) Competitor Analysis: Interactive University (edited by Bacsich, P) *The UKeU Reports*. York: The Higher Education Academy.
- Microsoft Window Server System (2004) Interactive University. Online Educator Expands Teaching Solutions. *Customer Solution Case Study*. Seattle: Microsoft.

##### Historical Context

On 15 October 2002 PR Newswire carried this press release on behalf of Heriot-Watt University:

A new 'university', based on the latest technology, teaching and learning methods, is set to grow Scotland's global reputation as a centre of academic excellence.

The Interactive University (IU) is an independent organisation set up with key contributions from Scottish Enterprise and Heriot Watt University. It will be a resource open to all Scottish universities and higher educational institutions to help market and deliver degrees around the world. Courses in a range of subjects will be delivered through supported e-learning, a new approach to teaching and learning off-campus. It involves a mix of e-learning and locally-based tutoring with partner universities abroad.

Heriot Watt has worked with SE (the Scottish Enterprise development agency of the Government of Scotland) to establish the Interactive University, and brings its existing expertise in exporting its knowledge abroad. The University is currently running supported e-learning courses in a number of subject areas in 10 countries, is a leading academic institution in exploiting 'e' technology using this new format.

The Scottish government Enterprise Network is investing more than £2.3 million to get the IU up and running as a key part of its e-business strategy for Scotland.

'This new resource will play a major part in using e-learning expertise to build Scotland's standing as a world class seat of learning. We are constantly being told that we are living in a global market and this applies equally to knowledge. E-learning technology is the key to exporting our knowledge building an unrivalled educational brand for Scotland around the globe, reaching more students than was ever possible in the past' was given as the justification by Scottish Enterprise.

Bacsich (2004) comments: 'It is important to note that the Interactive University was born as Scottish Knowledge (a previous Scottish e-University) collapsed – at the time, some described this (politely) as a merger between the two, while others reported that Heriot-Watt had absorbed Scottish Knowledge and rebranded it as the IU. At the time, Scottish Knowledge sources blamed the company's closure on rivalry from the very Scottish universities with which it had partnered, whose independent efforts (they claimed) had driven them out of the market.'

Like the United Kingdom eUniversity, the IU set out to be 'an interactive bridge between universities and students across the globe who wish to study for a internationally-recognised qualification, without leaving their home country'. Its main target market was post-compulsory education in the developing world.

There were, however, a number of differences between the projects:

- the IU was confined to Scottish institutions rather than attempting to cover the whole of the UK

- the IU adopted a distributed model of learning rather than relying exclusively on eLearning.
- the funding available to the IU was approximately 4% of that available to the UKeU
- the IU in 2003 had many more students enrolled on its programmes than the UKeU.

IU courses were delivered both online and through local learning partners. The use of local learning partners was a major element in the pedagogic approach followed by the IU, which was said to focus on the 3Cs: content, context and community. 'This is a student-centred approach that allows individuals to study at a time and a place that suits them. The learning is a mix of online, interactive study and traditional classroom teaching'.

In 2003 one of the first contracts signed by the IU was with Nanyang Institute of Management, a leading provider of private education in Singapore. Over 1,500 new students were expected to enrol through the IU for the Stirling and Heriot-Watt programmes, generating an estimated £6 million over three years.

In January 2004 the IU announced its first agreement with an African local partner, ZICAB (the Zambian Institute for Capacity Building) designed to provide access to the Heriot-Watt Management programme and the Stirling MBA. Like Nanyang Institute of Management, ZICAB is a privately owned company, specialising in professional training.

The Interactive University's emphasis on the face-to-face component of education was a primary differentiator between its efforts and those of Scottish Knowledge. This was stated explicitly upon the launch of IU, via the release of statements confirming that IU would "improve on Scottish Knowledge by working with local institutions so that students can use nearby facilities"; and that "people need teachers for a rich educational experience".<sup>1</sup> This difference and many others make it clear that the Interactive University has very little in common with what was once Scottish Knowledge.

In 2004 IU had 50 employees, with offices in Edinburgh, Singapore and Dubai. Its headquarters at Edinburgh Park, Scotland's largest business park, were sublet from Fujitsu; its Singapore office was within a recently-opened Scottish Development International (SDI) "incubator" for Scottish business in Asia. IU sought to establish a leading international education business; to be a Centre of Excellence for the Scottish Sector; and to offer development opportunities and services for Scottish universities.

The Interactive University closed its doors at the end of April 2007. The joint venture among Scottish Enterprise, Heriot Watt University, and Robert Gordon University was intended to be a "one-stop-shop" for

foreign students accessing courses from Scottish universities. However, the expected number of student registrations was not achieved.

The move to shut down came after the majority of Scottish universities failed to participate and a £1.5 million bid for emergency funds was turned down by Scottish Enterprise. It had been hoped the IU would bring in millions in revenue for Scottish universities, with the institutions using it as a means to offer supported learning to students at partner institutions in up to forty other countries. However, less than a quarter of the anticipated number of students was attracted to the venture.

### **Technical issues**

Microsoft Windows presents its cooperation with the IU thus: The Interactive University (IU), based in Edinburgh, Scotland, provides the first national education system that is conducted purely online, and is the world's largest single online education program. The IU has experienced a 10,000 percent increase in enrollment in four years and anticipates continued growth to 500,000 students in two years. Its Java-based infrastructure can't keep up. The IU is implementing a solution based on the Microsoft .NET Framework and Microsoft Windows Server System.

An IU representative stated: We used whatever the best technologies were, at the time, for learning and virtual environments, contact management, and publishing. However, we decided we had to make that mix of technologies scalable, which is why we looked at J2EE and the Microsoft .NET Framework, and ultimately decided to go with the .NET Framework for a variety of new administrative developments.”

Besides content management, the MLE included a student records system and a Virtual Learning Environment (VLE) through which students accessed online course material. In order to provide a complete and rich learning experience, the MLE also integrated with a range of e-commerce and customer relationship management applications and courseware, financial solutions, and general messaging and office support applications.

### **Courses**

The Interactive University offered two distinct online products, with different target markets.

The first was SCHOLAR, which was launched by Heriot-Watt in 2000, 2 years before the formation of IU. Scottish Knowledge initially marketed SCHOLAR internationally; the Interactive University then managed all SCHOLAR publication and distribution on behalf of Heriot-Watt University.

SCHOLAR was purportedly the largest online learning programme in the world, with over 45,000 registered students, 3,900 tutors and more than

10,000 hours of online content (across 23 courses). SCHOLAR was based on a concept of “supported e-learning, designed to strengthen links between the pupil and teacher”.d

SCHOLAR provides online support for students taking Scottish Advanced Higher, Higher, Higher National Certificate and Heriot-Watt first level courses. All local Scottish authorities were members, and 95% of Scottish schools used SCHOLAR materials. Learning materials were developed in Mathematics, Physics, Chemistry, Biology, Computing and French, with more courses (and foreign languages in particular) in development. SCHOLAR interactive online materials were meant to complement printed texts.

Secondly, the Interactive University offered several other courses, from foundation to MBA level. Most were developed by Heriot-Watt University, which acted as IU’s “parent company” in most respects; IU absorbed staff from around the university who were developing and managing the courses prior to IU’s involvement. Courses available were from Heriot-Watt and Stirling Universities, and comprised one Foundation course, six Bachelors, one Masters, and one MBA as follows:

The Heriot-Watt Business Foundation course, which provided an entry route to the Heriot-Watt Management Programme.

The Heriot-Watt Management Programme, which had roughly 1,000 students in more than 35 countries. Students selected from 5 degree pathways:

- Bachelor of Business Administration;
- Bachelor of Arts in Business and Accounting;
- Bachelor of Arts in Business and Finance;
- Bachelor of Arts in Financial Management and Accounting; and
- Bachelor of Arts in Management.

The Heriot-Watt BSc in Information Technology.

The Heriot-Watt MSc in Information Technology.

The University of Stirling MBA in Entrepreneurship.

The official division of labour between the Interactive University and its overseas partners was described in various places thus:

IU provides course materials while the overseas university provides tutoring, IT facilities and face-to-face recruitment.

IU’s web site advertised that IU would convert Scottish university courses into online and print formats, then deliver them globally. In fact, it seems that most, if not all, courses available were completed prior to the birth of the Interactive

University. Further development of course materials would presumably be undertaken by the same Heriot-Watt teams who had worked on the SCHOLAR materials (some of whom were then part of the IU).

### **Management, strategy and attitudes**

Although all Scottish universities are said to be members of the Interactive University, there was no evidence of new course development with the majority of the partners.

There was no evidence that IU participated in any commercial partnerships, nor that it had maintained any of the early relationships established by Scottish Knowledge (e.g. with News International or Shell).

IU did not award degrees directly, but rather relied on its Scottish partner institutions.

IU's success relied primarily on its SCHOLAR courses, offered by every secondary school in Scotland.

SCHOLAR figures aside, it is quite difficult to pinpoint the precise number of HE-level students studying with the Interactive University. IU's only explicit acknowledgement of non-SCHOLAR programme student numbers was in its Heriot-Watt *Management Programme* brochure, which referred to "around 1,000 students in more than 35 countries". Thus it seems clear that most IU students were in fact SCHOLAR students (Bacsish 2004).

Other IU partnerships were reported by *The Scotsman* in July 2003 as follows:

Scotland's Interactive University (IU), one of the largest e-learning facilities in the world, has continued its expansion by signing a major deal in China. The contract to supply business courses to the Long Way College in Harbin and three similar deals, agreed in principle, with universities in Beijing, Nanjing and Shanghai, were to be worth more than £5 million a year to the Edinburgh-based company.

Interactive University (IU), the Edinburgh-based e-learning firm, has expanded into Iran after signing a contract with an education centre in Tehran to supply business courses. It is expected the programme, written by Heriot-Watt University and developed by IU, will generate revenues of up to £400,000 within three years.

The press has also made reference to partnerships with the Syrian Virtual University and Hong Kong Polytechnic University. The IU made it known that it had partners in 40 countries, but the partner list was not readily available.

### **Economy**

Heriot Watt described Interactive University as an independent, not-for-profit company. UK£2.3 million of new funding was made available from Scottish Enterprise, the country's economic development agency, and a dozen local companies.

Heriot Watt predicted an operating income from Interactive University of UK£5m in student fees by 2004/2005, coming from an estimated 3000 students. The new company employed about 50 staff. Heriot Watt itself had an established distance learning operation, claiming some 10,000 students in 25 countries worldwide. The Interactive University model "involves a mix of e-learning and locally-based tutoring with partner universities abroad". This is something of a departure from Heriot Watt's more minimal approach to support for its distance learning students.

The Interactive University's immediate success after only a year in existence seemed heavily reliant on Heriot-Watt's earlier prowess in the distance learning market. IU moved its headquarters to a prestigious Edinburgh business park, but it was initially housed at Heriot-Watt itself.

The SCHOLAR programme was well underway before IU's creation. Launched in 2000, it received £700,000 from the Scottish Executive in 2001

Support from Scottish Enterprise, the Scottish government funding agency, was critical to IU's entrance into the e-learning market. Scottish Enterprise contributed £2.3 million to the IU's creation, and considered IU to be its "first Global Companies Development Programme higher education pilot".

The only non-Heriot-Watt degree offered by IU, the MBA from Stirling University, was inherited directly from Scottish Knowledge. This demonstrates, says Bacsish(2004) one way in which IU has been able to own Scottish Knowledge's successes while disowning its failures.

IU sought out partners willing to provide face-to-face tutorial support from the start. In a typical IU arrangement, IU provided course materials while the overseas university provided tutoring, IT facilities and face-to-face recruitment. The IU business model enabled up to 50% of the revenue generated by student fees to remain with the local learning partner.

### **Conclusion. Why did it fail?**

The official reasons for the failure of the Interactive University are given as:

- the expected number of student registrations was not achieved.
- the majority of Scottish universities failed to get on board
- a £1.5 million bid for emergency funds was turned down by Scottish Enterprise.

- It had been hoped the IU would bring in millions in revenue for Scottish universities, with the institutions using it as a means to offer supported learning to students at partner institutions in up to forty other countries, but this did not eventuate.

To these reasons may be added:

- the Interactive University was a strange name for a new e-University
- there was an arrogant assumption that Scottish degrees would prove attractive to students overseas and that students in China, Iran, Syria and Hong Kong would enrol in them in large numbers
- the claim that '500.000 students would enrol in the next 2 years' was inane. It shows a total lack of hard-nosed market research, which is essential for any new e-university, and that the university lacked analysis of the real world. The IU did not have the structure nor the technology to process half a million students.
- the IU claimed to be a university. Yet, its only successful programme was a high-school programme called SCHOLAR. This was inherited from Heriot-Watt University and developed with a grant from the Scottish Executive. Bacsish (2004) seems to suggest that the enrolment of the IU was 46.000, comprising 45.000 from the SCHOLAR programme and 1.000 from other programmes.
- Heriot-Watt University, the main promoter of the IU, was well known for having a successful overseas distance education programme, especially its overseas MBA, which was considered one of the best available. Yet the IU did not follow the Heriot-Watt model.

## References

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