# **Enterprise Model**

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## INTRODUCTION

Institutions of higher education find themselves in precarious times. First, they are being expected to do more with less; most public colleges and universities are finding their budgets cut each year (Krupnick, 2008; Lyndsey, 2007; Will, 2003). As a result, many universities are attempting to save money by increasingly relying on adjunct faculty to teach courses (Finder, 2007). Second, technological change has forced colleges and universities to change the way they do business; specifically, to remain competitive and meet market demands, colleges and universities are offering more courses online each year. In the fall of 2005, an estimated 3.2 million students took at least one online course—800,000 more than during the previous year (Allen & Seaman, 2006). Enrollments are increasing by an estimated 33% per year (Tallent-Runnels et al., 2006). Third, in the age of standards and accountability, colleges and universities must account for student learning in ways like never before (Lederman, 2007). As a result of changes like these, colleges and universities are experimenting with types of organizational and administrative structures and business models that differ significantly from those used in the past. One such model, called the Enterprise Model, is described in this chapter.

## BACKGROUND

The first online courses were designed, developed, and offered by regular full-time university faculty interested in exploring this new medium (Oblinger & Hawkins, 2006). Early attempts at online teaching were simply adaptations of classroom-based courses. Many colleges and universities still rely on this faculty-driven model, which Bates (1997) has characterized as the "Loan Ranger and Tonto" approach because of its heavy reliance on individual—loan ranger type—faculty. However, as the demand for entire academic programs offered online has increased—coupled with continued technological innovation—many institutions are realizing that the development and delivery of online education is an increasingly complicated process, requiring both a specialized pedagogy and a technological expertise possessed by few faculty (Lynch, 2005; Oblinger & Hawkins, 2006).

As online education has moved from the fringes to become an integral part of most colleges and universities' long-term plans (Allen & Seaman, 2006), colleges and universities are adopting new ways to design, develop, offer, and manage online programs. One of these models is a collaborative but yet highly centralized approach often referred to as the enterprise model.

## MAIN FOCUS: ENTERPRISE MODEL

Simply put, an enterprise model is a centralized and standardized approach to the design, development, and management of educational programs. An enterprise model can be adopted in varying degrees for either ground-based and/or online programs. The focus of this article, though, is primarily on describing the distinctive features and characteristics of the more common approach of using an enterprise model for online programs.

An enterprise model is difficult to describe for four main reasons. First, different colleges and universities adopt certain aspects of an enterprise model and not others. Second, some refer to their approach as an enterprise model—e.g., Regis University (Online Consortium of Independent Colleges and Universities, n.d.)—while others have characterized their approach more as collaborative or entrepreneurial (Bishop, 2005; Knowles & Kalata, 2007). Third, an enterprise model approach to online education has its roots in for-profit education which, for proprietary reasons, tends not to share its operating procedures. Fourth, and finally, until recently, academics and administrators—generally speaking—have not written about administrative and management approaches to online education. Therefore, while an enterprise model is greater than the sum of its parts, its distinctive features and characteristics—which are addressed below—are perhaps best understood as lying on a continuum (see Figure 1).

# **Brief History of Enterprise Models**

Colleges and universities-like Regis University's College for Professional Studies (a college dedicated to offering accelerated programs for working adults)-have been using an enterprise model approach to education for decades. In fact, the enterprise model used at Regis University has its roots in a similar centralized / standardized approach of offering standardized accelerated classroom-based courses (see Lange, 2006) that traces back to early pioneers in adult learning such as the Institute for Professional Development and the University of Phoenix (Charlier, 1991; Murphy, 1991). While the early and primarily for-profit pioneers were attracted to enterprise models of course development (whether for classroom-based or online courses) for entrepreneurial and business reasons, we highlight in the following pages that, with the exponential rise of online education, there are pedagogically significant reasons to utilize some-if not all-features of an enterprise model.

# **Characteristics of an Enterprise Model**

The enterprise model is identifiable by a few key characteristics: Centralized administration and oversight, collaborative course design, standardized course design, and faculty assessment and training in methods appropriate to online environments (Hencmann, 2004; Parscal & Florence, 2004). We elaborate on a number of these characteristics in the following sections.

## Centralized Administration & Oversight

Perhaps the most defining characteristic of an enterprise model is its centralized approach. Paolucci and Gambescia (2007) identified six general administrative structures that universities are using to offer online degree programs: (a) academic department, (b) continuing education / professional studies unit, (c) distance education unit, (d) consortium, (e) alliance, and (f) outsource. Theoretically, any of these six administrative structures could utilize an enterprise model, centralized approach, for managing their online education programs; however, in practice, in part due to cost and institutional culture, features of enterprise models tend to be utilized by schools, colleges, and universities that have centralized distance education units.

Among other things, a centralized administrativeorganizational structure enables greater university oversight and control over online programs. Administrators, in particular, find this helpful for two reasons. First, developing online courses and programs can be costly; they have been estimated to cost anywhere from \$10,000 - \$60,000 per course (Schiffman, 2005). Centralized control can help limit what programs are offered online. For instance, the University of Maryland University College (UMUC) requires approval of a business plan before any new program is offered online (Bishop, 2005). Second, centralized control can help ensure and maintain a high level of quality. For instance, Park University systematically evaluates each online course using the Quality Matters rubric (Knowles & Kalata, 2007).

## Figure 1. A continuum of distinctive features of an enterprise model

Loan Ranger Decentralized Administration Faculty Driven Courses Developed Individually Un-standardized Course Development Very Little Formal Oversight of Faculty

Enterprise Model Centralized Administration Administrative Driven Courses Developed Collaboratively Standardized Course Development Assessment, Training, & Oversight of Faculty

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