

Transformative Income Generation

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INTRODUCTION

When a business introduces a new product, it does so with the intent of being successful and profitable, capitalizing on the research and development that led to the product's development. Well, higher education is a business operating within an economy that is challenging at best, and given these challenges, it begs the question as to how institutions can become more financially stable and make themselves less susceptible to economic fluctuations.

The costs associated with the development of online distance education materials necessitates that the materials be used as many times as possible to maximize the return on investment based upon the costs to produce these materials. With the marketplace becoming more competitive, it is imperative that the costs associated with delivering online distance education be spread out over multiple markets as well as over time. The basis for this manuscript is to identify ways in which institutions can maximize their return on investment for distance education offerings through the application of a model of the author's design entitled "Transformative Income Generation," which is a combination of content repurposing based upon an understanding of the various potential markets in an entrepreneurial manner (Robinson, 2001).

A number of reference and/or worksheets are available to help determine how much it will cost to deliver online content – an example is the handbooks developed by *Western Cooperative for Educational Telecommunications* (2001), which can provide a basis for understanding the challenges that can be faced when integrating technology with the provision of education. The bigger question, the one that is more controversial, is whether it is possible to generate revenue and a subsequent profit via online distance education.

Transformative income generation helps maximize return on investment for distance education offerings through a process that evaluates the con-

tent in hand, how it is being used in its current form and if it is being utilized to its fullest potential, and if it can be utilized in other ways so the return on investment to create online content can be spread over a variety of uses. Applying the transformative income generation model is one way to refute the assumption that the only way to increase revenue via online distance education courses is to teach to larger classes.

TRANSFORMATIVE INCOME GENERATION

When considering the amount of resources necessary to develop and deliver online distance education, it seems logical to consider all possible markets to allow an institution to capitalize on its investment. This can be done by considering how many different ways the expense of course development and delivery can be used to generate revenue. In most cases, it is more than likely that one, maybe two ways to use content have been evaluated.

The transformative income generation model (TIG), sheds light into the repurposing of content into other markets to make the most efficient use of the content by spreading the developmental costs over the largest possible number of users. It requires out-of-the-box thinking and consideration of previously untapped markets that would not have ordinarily been the focus of an institution.

Within the TIG model, courses or content are considered as a "commodity" that can be sold directly to the consumer (i.e., learner) or to another business. In this respect, the TIG model allows for the provision of content within both business-to-consumer (B2C) and business-to-business (B2B) contexts, and is about capitalizing on the value of e-content to the largest possible audience.

How often have you heard the statement, "This class would make a good continuing education program or certificate program"; or, "I bet someone

else would like this class in addition to our students”? But these conversations seldom seem to go any further. Applying the TIG model could help transition these discussions into action items by providing a mechanism that makes it possible to turn ideas into outcomes.

The Internal Audit and Audit Analysis

The *Internal Audit* should be done at least once a year to ensure that financial benefit can be gained from every possible opportunity. Once the audit process has been completed, the same process can be used to review new courses or content as it becomes available. The internal audit of the course(s) and other educational content (continuing education, life-long learning programs, etc.) is best accomplished using three categories: content currently taught online via distance education; content currently taught online on site but could be modified for distance education; and on-site, limited online or not-online content.

Once the *Internal Audit* has been completed, it becomes necessary to conduct the *Audit Analysis*. It is necessary to rank the three categories in order to discern what content can be offered online quickly and without the commitment of significant resources vs. the content that would require time and resource commitment before it could be re-purposed. The intent of the TIG model is to develop multiple revenue streams based upon the re-purposing of existing online content as well as re-purposing of content that is not available online but can be online with limited digitization.

The second part of the *Audit Analysis* is the ranking of each above category based upon perceived marketability and the potential to develop as a revenue stream. This is not to replace a formal market analysis, but instead is to consider the breadth of market potential for each piece of identified educational content. As this picture begins to come together, it may become evident that there is some content being taught that has high market potential, but limited initial re-purpose potential.

Market Stratification and Market Analysis

Seldom is the content that is taught in higher education only relevant to one specific discipline. Within the TIG model, the content being taught is reviewed not only to be applicable within that specific discipline, but also for its potential use within other disciplines. In either instance, the TIG model has potential to increase revenue based on B2C distribution as well as B2B distribution.

The B2C considerations of *Market Stratification* can best be identified by an example. Consider a pharmacology example, in which the content is taught within a variety of disciplines such as pharmacy, medicine, nursing, physician assistant programs and dentistry. While it is acknowledged that each discipline teaches different variations or to different levels of complexity, the same content is still taught in the different disciplines and is an expense that is borne by each providing program. What if it were possible to use a pharmacology course developed for pharmacy students to teach students from another health profession as well? The key is to think creatively and to realize that until proven otherwise, everyone is a potential consumer.

There also exists B2B *Market Stratification* opportunities, that might be available when considering the re-purposing of content. Instead of offering the content directly to the learner, the content is offered to another entity who then conveys it to the end-user, thus changing the role of the program and the face of the consumer. Just like market stratification in the B2C model, the B2B model requires out-of-the-box thinking as well. Again, the key is to think creatively and to realize that until proven otherwise, every entity, albeit business or academic, is a potential consumer. Next, it becomes necessary to see which markets are worth pursuing by going beyond the breadth and looking at the depth of the various marketplaces to determine how well the content fits each.

Market Analysis can begin with reviewing the relevant literature and conducting an online search

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