

WORKFORCE EDUCATION PROGRAM MANAGEMENT (WPM)

Concept Outline

GLOBAL MARKET CHALLENGE

The current pandemic is not a temporary shift to alternative environments for remote learning. It is being described by many as the great accelerator, demanding a rapid pivot to new means and methods of massive labor market learning opportunities. It is accelerating changes that, under normal circumstances would take decades to accomplish, will now need to take place in a matter of just years. Much of this pivot will require successful transformation of the nature of work, and how employment, learning and talent development will work together to fuel forward momentum for economic development. With the new institutional mission for higher education to deliver solutions for the 60-year degree, the shift that had been underway for many decades, is now accelerating with exponential demand for learning, knowledge and skills in the global economy. It's now a double-edged sword; providing career relevant undergraduate degrees for first time job seekers and for corporations requiring rapid upskilling and new knowledge for their employees. The consequences of failure will ripple through the economy and national economic development

"The income losses have been dramatic. It's estimated that somewhere **between 85 and 115 million people worldwide will drop back into extreme poverty** as a consequence of the pandemic. By 2021 **these numbers will increase to over \$150mm.** in developing world abject poverty nations **that represents about 10% of the total world population**" (World Bank 10/7/20)

recovery for decades.

The reconciliation of this crisis is deeply embedded in the ability for American post-secondary education to design and execute new methods to allow much larger numbers of people to obtain the knowledge and skills they need to participate in this changing global economy. But how we deliver post-secondary education hasn't changed in form and function for 300 years. Universities are barely able to do what's necessary to graduate a qualified workforce let alone begin the transformation needed to serve highly specialized education-as-a-benefit for employees. On the demand side, there is a growing friction between corporate human capital management education needs, and the one-dimensional solutions provided to corporate America by universities from the supply side. The supply-demand equation is grossly out of balance.

EDUCATION UP

HIGHER ED IS UNDER GREAT PRESSURE TO SERVE A NEW, “60-YEAR DEGREE” MISSION

- Time based degree with an inflexible academic affairs structure
- Academic programs not designed for a competency-based approach and micro credentialing
- Limited design capability for corporate learners
- Not structured for a corporate learning program strategy and agenda
- Limited technology support structure for CBL, assessment, skill mapping, credentialing and personalized learning planning
- Limited student support structures for student success coaching and management

EMPLOYER DOWN

HCM IS IN **NASCENT STAGES OF CORPORATE EDUCATION** AS A STRATEGIC BUSINESS INITIATIVE

- Inability to understand, audit and address employee skill gaps/competencies to job roles
- One-off program design vs. designing programs as an ongoing persistent need
- Limited ongoing measurement of employee learner competency attainment and how it is reflected in increased worker productivity
- Limited ability to centrally and/or departmentally manage the continual flow of employee education cohorts, existing education programs, and the development of new programs

EVOLUTION OF WORKFORCE EDUCATION 3.0

Higher education has traditionally served the education demands of corporations and government from onsite “corporate training” models from the rise and fall of outdated web-based training models. Workforce education 1.0 began with a social service mentality, not a true economic development driver. Now, the pandemic has caused demand for labor market development to soar to new heights and staggering growth, driving the critical need to re-envision labor market learning supply/demand dynamics. Today, whether managed at the divisional or centralized corporate levels, workforce education programs are now dealing with a liquid workforce — a workforce of non-traditional workers like freelancers, consultants, contingent workers and part-time employees. The pandemic has changed the workforce structure, and the number of liquid professionals is projected to grow. Learning professionals are used to relating to their full-time workforce but learning to train and motivate a liquid workforce will require a new strategy.ⁱ There is also an urgent need to address a growing unemployed population, low and mid-skilled workers focusing on diversity, equity and inclusion.

WORKFORCE EDUCATION

01

Employers offer passive employee benefits

Employee self-discovery of options

Social service mentality

Limited employee/employer benefit

Not connected to divisional or corporate strategy

02

Emergence of managed services intermediaries

Formal outsourcing of employee benefit programs

Limited employee/employer benefit

Corporate (demand side) focus

Tactical managed approach

03

Work-integrated learning systems

Strategic, persistent learning environment

ROI, measurement and outcome focused

Learner pathways to career advancement

Bridge to corporate strategy

TWO INDEPENDENT SYSTEMS

Our current economic development crisis will have cascading impact, as we now face an exponentially higher magnitude of impact in the level of learning people need. We need to think radically different about how higher education will fill the growing gap of labor market development needed for an expeditious economic rebound. This is not just about just *expanding the education system*. It's also about changing the way we think about employment and how we recruit and develop current employees and new talent. Institutions and private and public sector organizations are rapidly seeking solutions to the workforce education gap, but our current system is broken because we're operating in an environment of *two independent and disconnected systems*. In the higher education supply side dynamic, we need to entirely reframe the very nature how we create the learning experience; to whom, toward what purpose, and to what strategic corporate learning objective. For some institutions, that might mean refactoring the structure of academic affairs from the provost's office down to the student and every layer in between. To accomplish that, this needs

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to be precisely calibrated to sustainable, replicable and favorable economics and maintaining the same academic rigor for which higher education is known. In traditional higher education, success is measured by learning, not impact, a new metric of which institutions are now accountable. On the demand side of the equation, corporations rarely have the support infrastructure needed to maintain, grow and develop employees. Demand side programs should be designed around dedicated and persistent programs that measure and track productivity gains in corporate strategy execution and return on investment. In corporate America, education is often viewed and designed as a one-off transaction.

BUILDING BRIDGES

It's time for people, education, and work to speak the same language. What's desperately needed is a successful merger of these two independent systems. In order to cross the chasm, we need to adeptly navigate these complex adaptive systems and redesign programs, technologies and organizations to merge traditional academic learning with technical learning which is dynamic and always changing and evolving. Workforce education is not a transactional one-off process. It's an ongoing, emergent practice that in a knowledge-based economy where learning becomes central to an ongoing constant activity. The primary challenge here is creating a knowledge-based platform at scale designed, at its core, to advance diversity equity and inclusion and integrating the rigor of academic learning.

SHAPE SHIFTING FOR LABOR MARKET LEARNING

In order for higher education to take on a dominant and effective role in workplace learning it will need to adapt and reshape its organizational structure creating dynamic relationships between academic affairs, technology office, strategic enrollment management and finance. The future of work-based learning will need to accommodate and embrace:

- Degree-linked apprenticeships for effective learning experiences that bolster workforce entry among graduates
- Interdisciplinary relationships with community colleges and four year institutions with seamless credit transfer
- Non-degree, short form, curricular design that ties to workforce skills-based learning objectives
- Seamless stackable credential programs from micro-credit to terminal degrees
- An inextricably linked program pathway for learners to connect their education to career options
- Integration of corporate and institutional partnerships in long range education program design

REBOOT THE DIGITAL INFRASTRUCTURE

With the new institutional mission to serve the 60-year degree, universities will need to adapt to an environment where there will be no single approach to digital transformation. New digital infrastructure strategies will be shaped by each university's workforce connected mission. Legacy ERP technology infrastructure, and advanced learner support services are critical, and this is a tall order. Few institutions in the U.S. are optimized for this kind of transformation. The shift to an extended workplace learning institutional mission will be far more than teaching over Zoom. The supporting technology and services cannot be designed, as has been the tradition in higher education, as a mere utility, but a connected learning ecosystem designed for lifelong learning. While during the pandemic, university staff have proven to be more resilient in adopting new technologies. However, there is a hill to climb in developing the necessary technology infrastructure to effectively support a college to career learning continuum. The evolution of these systems will need to comprise digital platforms and associated learner services that massively scale collaboration with employers. These systems should be designed to better meet evolving employee learning aligned with corporate strategy priorities. At minimum, these technology and support services include:

- Integrated applications that management and track learner progression and support learner workflow
- Dynamic learner career mapping capabilities linking program and course level activities and performance to career paths
- Diagnostic assessment of prior knowledge
- Job competency inventories and profiles
- Personalized learning planning
- Micro-credential and badging management
- Skill, competency and job role development tracking
- Competency framework crosswalk for institutional programs and courses
- Competency based content conversion, design and delivery
- Learner and program performance analytics
- Blockchain based comprehensive learner record for tracking long range learning achievement
- Learner coaching and student success support

FROM OPM TO WPM - WORKFORCE PROGRAM MANAGEMENT

The workforce development market is estimated to be valued at \$27.5 billion market today, with a potential of nearly \$300 billion over the next five yearsⁱⁱ. There is a rapidly escalating trend in the movement from formal degrees to certificate attainment fueled by an estimated total certificate conferred growth of a staggering 37% increase between 2008 - 2018. Certificate conferrals are projected to surpass degree conferrals in 2022.ⁱⁱⁱ In 2020, U.S. education technology startups raised over \$2.2 billion in venture and private equity capital, representing nearly a 30% increase from the \$1.7 billion invested in 2019. The \$2.2 billion marks the highest investment total in a single year for the U.S. edtech industry.^{iv}

The market opportunity has ignited unprecedented levels of capital flowing into the education market, much of which has been directed to workforce education service businesses, alternative education providers and enabling technology applications.

While all of this momentum will help advance the global collective agenda of workplace learning, the market is becoming increasingly fragmented causing confusion between suppliers, corporate education programs and the last mile learner who is suddenly inundated with new choices. The flood of new capital has resulted in early stage startups and unicorns creating disparate solutions ranging from niche micro-technology solutions to discipline specific

program providers and employee benefit management businesses. In and unto themselves, these early stage innovators have viable solutions to real, unmet needs but discernable value propositions and notable impact remains elusive.

Essential components of an end to end workforce learning solution include degree and non-degree granting program and course level content, new technology platforms that manage the learning ecosystem, and learner support systems to reinforce learner completion and success. There is no one organization that operates and manages the entire end-to-end process for lifelong learning. The requirements of Workforce Education 3.0 are formidable. To successfully bridge the supply and demand gap, the industry desperately needs to move from *Outsourced Program Management (OPM)* to *Workforce Program Management (WPM)*

WORKFORCE PROGRAM MANAGEMENT DEFINED

WPM is a central end-to-end workforce education solution platform that manages the content, infrastructure and learner support services necessary for the success of corporate learner programs designed to create ROI and business strategy impact. WPM manages the supply side of the learner experience and career pathways by developing deep, meaningful relationships with corporate HCM

divisions, who lack program and instructional design experience. As a full service intermediary, WPM plays an essential role in bridging the confusing and fragmented network of program providers, technology solutions and learner support systems.

WPM COMPONENTS:

- **Product/Service** business providing access and management of both degree and non-degree micro-credentials to businesses and government
- **Bridges** supply-side education degree/non-degree programs with demand-side HCM employee education benefit programs
- **Develops** high impact relationships with corporations and HCM staff in learning program design
- **Manages** program workflow and support for employee-learner success
- **Central HCM** business/employee learner focused concierge services, streamlining upskilling by assessing competencies, matching competency profiles to roles, and upskilling to fill competency gaps directly linked to corporate strategy

CONFIGURATION

Since a WPM organization cannot be created from the ground up, it needs to be “anchored” within an existing structure that already has leverageable assets, human capital and cash flow. There are at least three ways that a WPM structure could be configured to for a more comprehensive solution-

- 1. COLLEGE BUSINESS MODEL-** In this configuration, a WPM structure would be anchored to a University that has a strong workforce education program but, similar to UMGC, cannot scale the program to serve an extended institutional mission beyond simple undergraduate/graduate degree granting programs. In this case, a Newco would be created by separating the corporate learning division to form an externally funded for profit entity that would manage and expand the entire workforce education lifecycle on behalf of the university. Newco would initially be capitalized by moving both revenue and expense from the University into Newco. All Title 4 accreditation for degree programs is administered through the university, Newco creates, administers and supports all non-degree/non-credit programs.

TARGETS: SNHU, WGU, SEI (Capella/Strayer), Purdue, APUS, Grand Canyon, GMU

2. **PRIVATE EQUITY-** Identify a private equity firm that has an appropriate portfolio company has existing leverageable assets where WPM could expand the target company's scope and breadth of business. In this case an additional investment would be needed for expansion. Alternatively, the Private Equity firm could acquire or take a control position in a new investment/acquisition of a business that has leverageable assets.

TARGETS: Vistria, KKR, Avathon, Summit Partners

3. **CORPORATE SUBSIDIARY-** Large, established mainstream organizations that make up the general areas of cross segment institutional services currently have labor management and workforce solutions, but these solutions are also fragmented in the services they offer. Often the products and services may solve a singular function or problem but don't offer an end-to-end solution to enable all components of an adult learner's requirements for upskilling/reskilling. In this NewCo configuration, the education provider could better organize around the workforce education market opportunity by reorganizing their structure to form an end-to-end WPM service division and acquiring assets that would form a full solution stack forming an anchor for NewCo. These organizations could potentially create a spin off subsidiary that could (a) form a University focused service unit that would assist institutions in developing, managing and maintaining their supply side entire workforce education programs (b) A Corporate focused business unit that that provides demand side end-to-end management of workforce education programs or (3) a combined model creating a supply and demand marketplace. In each of these cases the corporate parent has deep, embedded and leverageable relationships with their institutional customer base where new value creation and revenue opportunities can be realized.

TARGETS: Wiley, Pearson, Cengage, Kaplan/Purdue, Academic Partnerships, Zovio, Strada, LTG (PeopleFluent etc.)

4. **ACQUISITION/CONSOLIDATION -** The WPM business could be formed by creating an anchor through the acquisition of a central asset which could be either an established, growth stage workforce education technology business or a small non-profit .edu or .org where existing workforce related content, students and technology exists. It is also possible that 2 or more early stage businesses could be consolidated to form a more robust WPM unit. In all of these cases, a private equity or other alternative would be needed for financial backing.

5. NON-PROFIT VENTURE-Numerous state, regional and national foundations, coalitions and affinity groups have current and future funding initiatives specifically dedicated to college and career transition. Since both universities and corporations are under optimized, these organizations may be uniquely positioned to be a catalyst for advocacy. Non-profit organizations can invest in, and be the center of gravity around, coalescing like-minded affinity groups. In particular non-profit organizations that have “labs” or R&D capacity where impact measurement is essential to fueling additional funding. Among other themes, the emphasis on bridging the gap between higher education and corporations with programs that enable closing the gap between supply and demand. Non-profit involvement could also be strong foundations for standing up rapid prototypes for model pilots.

TARGETS: National Skills Coalition, Aspen Institute, Jobs for the Future (JFF), Gates Foundation, United Negro College Fund, Strada, Education Design Lab

ⁱ Training Industry- The Post-COVID Future of Work and Its Impact on Learning and Development 10/7/2020

ⁱⁱ Wall Street Journal, Inside Higher Ed and Training Mag

ⁱⁱⁱ IPEDS, Doleta, Udacity, Course report

^{iv} EdSurge- A Record Year Amid a Pandemic: US Edtech Raises \$2.2 Billion in 2020-Jan 13 2021