

Thriving in Partnership: Models for Continuing Education

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INTRODUCTION

This article, based on a presentation at the University Professional and Continuing Education Association Annual Conference, March 29, 2012, provides concepts, terminology, and financial models for establishing and maintaining successful institutional partnerships. We offer it as a contribution to developing a wider understanding of the models of partnership that lead to sustainable success.

The essential work of the continuing educator is to bring together instructors, curriculum, facilities, and resources to create a compelling learning experience for learners. As such, continuing educators can be thought of as both brokers and facilitators of the overall learning experience. This implies an ability to assess the relative value of everything deemed essential to the learning experience and the skills to negotiate for expertise and resources. Moreover, because most continuing education units operate in an entrepreneurial environment, these capabilities lend themselves well to developing and managing effective institutional collaborations. This is supported by Himmelman's (2002) definition of institutional collaboration as "a process in which organizations exchange information, alter activities, share resources, and enhance each other's capacity for mutual benefit and common purpose by sharing risk, responsibilities and rewards" (p. 3).

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Certainly, the concept of partnership is prevalent in continuing education professional circles where it is often an assumed best practice, but there is little in the way of formal approaches to developing partnerships. In this article, we describe the concepts, tools and financial models that have helped guide the development of successful inter- and intra-institutional partnerships at the University of British Columbia, Continuing Studies (UBC-CS).

Programs delivered via a partnership model account for a significant portion of activity and revenue at UBC-CS. Importantly, the vast majority of new program revenue growth (outside of English as a second language programs) has come via partnership programs, which, in most cases, involve some sharing of revenue and risk. We broadly define a partnership as a formal inter- or intra-institutional collaboration to develop and/or deliver a program or service in which each partner adds value.

The following illustrates the diversity of partnerships in which UBC-CS has been involved:

- UBC-CS collaborates with the UBC Sauder School of Business to provide online and in class programs in areas such as project management and business analysis.
- UBC- CS is the exclusive online educational delivery partner for a major professional association in the field of analytics.
- UBC-CS licenses test preparation curriculum to partners who market and deliver their own branded programs.
- UBC-CS partners with a local, foreign-language media company to develop, market, and deliver courses to a non-English speaking audience.
- UBC-CS partners with a national certifying body to deliver courses based on an approved LEED® green-building curriculum.
- UBC-CS partners with a sister Canadian university in another geographical location to deliver project management courses for their local audience.
- UBC-CS partners with a US university to create a program and laddering arrangement whereby graduates of an existing UBC-CS program receive credit toward the partner university's certificate program.
- UBC-CS partners with three US universities to deliver a joint online certificate program in the field of sustainability.

RATIONALE AND MOTIVATIONS FOR PARTNERSHIP

The rationale for entering into a partnership is an essential first consideration. The same motivations that might compel private sector enterprises to partner with one another also apply in the continuing education context:

- Gain market share/serve more people.
- Improve products and services.
- Create efficiencies.
- Stronger, more sustainable bottom line.

Partnering allows for:

- Shared risk and reward.
- Leveraging/acquiring competencies or content.
- Sharing market intelligence.
- Accessing someone else's market.
- Leveraging value of partner's brand.
- Alternative to a buyer/supplier relationship.

For continuing education organizations, additional motivations for inter-institutional partnership might include:

- Opportunities to work with colleagues from other institutions.
- Enhancing the prestige of programs.
- Fulfilling institutional mandates.
- Serving various political or policy goals.

PARTNERSHIPS AS RELATIONSHIPS

Typically, the intent to form a partnership begins as a conversation between two or more individuals representing each of their respective institutions. Not surprisingly, many such conversations are initiated only after the individuals involved have developed a level of comfort and personal trust in dealing with each other. Initial discussions can often be engaging and exhilarating, however, once a lawyer drafts the terms of a partnership, there is seldom a mention of the kind of goodwill and collegiality needed to sustain a partnership. For this reason, legal agreements alone cannot guarantee a successful partnership. As Gage (2004) notes, "Prospective partners should realize that legal documents serve a narrow purpose. They establish the existence of the partnership...as a legal entity and specify the legal rights and obligations of the partners" (p. 41). He adds, "In a very real sense they are there to protect partners from each other. They are about limiting liability. That is why they are legally binding" (p. 41).

Although a formal partnership agreement may be necessary, in our experience it is often the relational aspects of the partnership that are most critical to success. These include:

- Open, clear communication.
- Commitment to fairness.
- Flexibility—responsiveness.
- Understanding each others' measures of success.
- Common vision.
- Shared values.
- Trust.
- Positive personal relationships.

When a partnership problem or challenge inevitably arises, it will be the relationship, not the legal agreement that determines whether or not the partnership succeeds. According to Pryor (2011), "When thinking about the concept of partnership, it's best to remember the most important dimension is building and sustaining a trust-centered relationship" (p. 1). He provides an apt metaphor:

...The best contracts are the ones that you never have to pull off the shelf. In this sense, contracts are like parachutes. When someone reaches for one, something fundamental has gone wrong. Instead, you're far better off flying the plane properly so you don't need the parachute.

The primary importance of relationship factors is an important context that also underlies the discussion of roles, responsibilities and financial models.

TRANSLATING THE PARTNERSHIP VISION INTO ACTION

At the outset of a partnership discussion, it is typical to have very little in the way of a framework to guide planning. Some institutions may have general guidelines, but the tendency is to move quickly from discussions of the program or service concept straight to operational and financial issues. In our experience, it is important at this early stage to discuss each partner's objectives, their capacities and competencies, and the value that each can bring to the partnership. This foundation will help define roles and ultimately the appropriate financial model.

Objectives

It is important to clarify the specific objectives of each partner. Many partnership discussions focus on the objectives of the partnership itself (e.g.,

to create a highly innovative new program) but fail to clarify the specific objectives of each partner. For example, partner A may want to increase revenue while partner B may want to attract students to its graduate programs.

Capacity and competencies

This aspect of the discussion revolves around the specific capacities and competencies needed to effectively undertake the partnership, including the resources required as well as any specific expertise. The objective in early conversations is to be as clear as possible about the capacities and competencies required, and then to have clear agreement on the respective commitments of the partners commensurate with an appropriate financial model.

Value of partner contributions

The discussion of the value that each partner brings to the partnership is closely linked to capacity and competencies, and should be reflected in the financial model. It is this element of the partnership discussion that is most often overlooked or taken for granted, and it is in this aspect of partnership that most problems will arise.

The concept of the value chain, in its simplest form, is a helpful starting point in assessing the underlying rationale for a partnership. Well-established in the study of commerce, the value chain constitutes the linkage of all activities that go into producing a final product or service for sale to the customer (Jones & George, 2008, p. 345). As depicted in Figure 1, at each stage in the chain different activities add varying value, some more directly than others. The value chain helps the partners view what each does as discrete but integrated activities that need to be provided, costed and resourced.

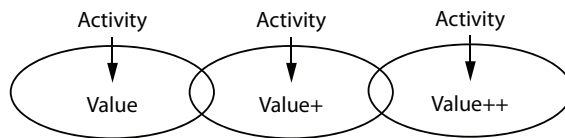


Figure 1: Simplified value chain

For example, in a continuing education unit, costing and resourcing instruction is an activity that has direct value for the student. The human-resources management infrastructure that supports the instructor’s employment provides an indirect value for students. In discussing financial arrangements with potential partners, we would refer to these respectively as direct costs and indirect costs.

Before engaging in discussions about costs or revenue, it is much more productive to first talk about the proposed program or service as a series of integrated but discrete activities that add value, literally identifying what each activity is. Next, each partner indicates where, how, and when they are willing to add value. One caveat is that it is incumbent on each partner to assess the other’s capabilities around adding value. The tool in Figure 2, which we have used in our partnership discussions, can help identify any gaps or misunderstandings about the nature of the proposed partnership responsibilities. To use the tool, the partners determine the extent to which the various responsibilities are either shared or assumed completely by one of the partners.



Figure 2: Sample tool for guiding discussion around responsibilities and contributions of partners (see Appendix for details).

It is important to keep the discussion focused on which partner is most appropriate in terms of adding value. In our experience, we have found that using this tool often calls into question simplistic “50/50” partnership models and helps to educate each of the partners about their respective capabilities and roles. It serves as a good foundation upon which to have realistic discussions about the sharing of risk and reward.

FINANCIAL MODELS

With a clearer understanding of the value that each partner brings to the partnership and their respective roles, it is possible to formulate a financial model that corresponds to the risk/reward tolerance of the respective partners. At UBC-CS, our experience in developing partnerships has led us to conceptualize three different kinds of financial models, each with their distinctive attributes: a licensing model, a shared risk/reward model, and a scaled risk/reward model. These serve as a valuable framework for deter-

mining the most appropriate financial model for the kind of partnerships that continuing educators are likely to engage in. In particular, the scaled risk/reward model offers a compelling alternative in partnerships where the licensing model and shared risk/reward model do not adequately reflect the differing levels of risk tolerance and entrepreneurship.

Licensing model

This model arises most in cases where existing curriculum or resources are being licensed. In our case we have found it applicable in a context where curriculum must comply with national or international standards and where there are minimal concerns about ownership and oversight of the content (e.g., test preparation). Partnerships based on this model allow a continuing education unit to ramp up new programming quickly and leverage external content expertise while incurring minimal risk. UBC-CS also licenses curriculum to external partners as a way of leveraging successful programming in new ways.

The key feature of this financial model as shown in Figure 3 is that the risk and reward are not shared and that the licensing fee (usually a flat fee or percentage) remains the same regardless of enrollment numbers.

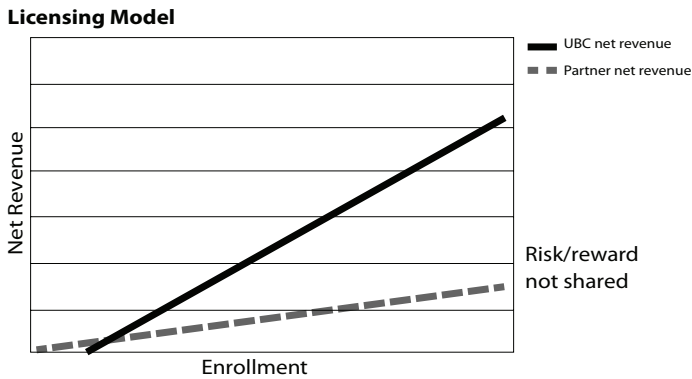


Figure 3: Licensing financial model

Shared risk/reward model

Often partners decide to share both risk and reward based on their respective contributions and responsibilities. This shared risk/reward model is applicable in contexts where partners have similar levels of risk tolerance and entrepreneurship. Risk and reward are assumed at a fixed ratio regardless of enrollment numbers (e.g. 50/50, 60/40). The shared incentive for growth is a benefit in building strong partnerships with this model.

Figure 4 illustrates this model from a net revenue perspective. There is a potential loss for both partners, but also a potential upside for each. In this model, the ratio for risk/reward share remains the same regardless of the number of enrollments.

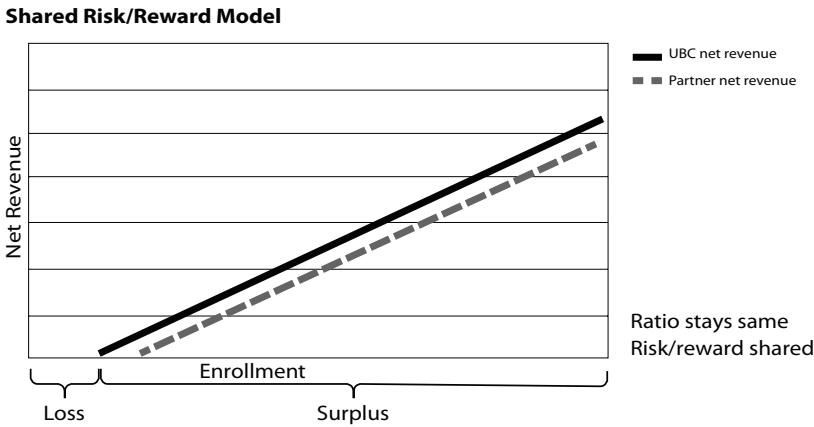


Figure 4: Shared risk/reward model

Scaled risk/reward model

In our experience, opportunities often arise where partners have differing levels of risk tolerance and entrepreneurship. We have had success using the scaled risk/reward model, a financial model applicable to situations in which one partner is more confident about the demand. This model protects the more risk-averse partner while incentivizing the entrepreneurial partner because the ratio for sharing risk and reward changes based on enrollment levels.

Figure 5 illustrates an example where UBC-CS, the risk-averse partner, receives 75 percent of the revenue for the first 10 enrollments in order to cover fixed, variable, and overhead costs. As enrollments increase, the partner’s share of the revenue also increases. UBC-CS benefits from new programming, new market share, and exposure as enrollments increase while still meeting financial targets. The partner benefits from a higher revenue share as numbers increase and is thereby highly motivated to support marketing and promotion efforts.

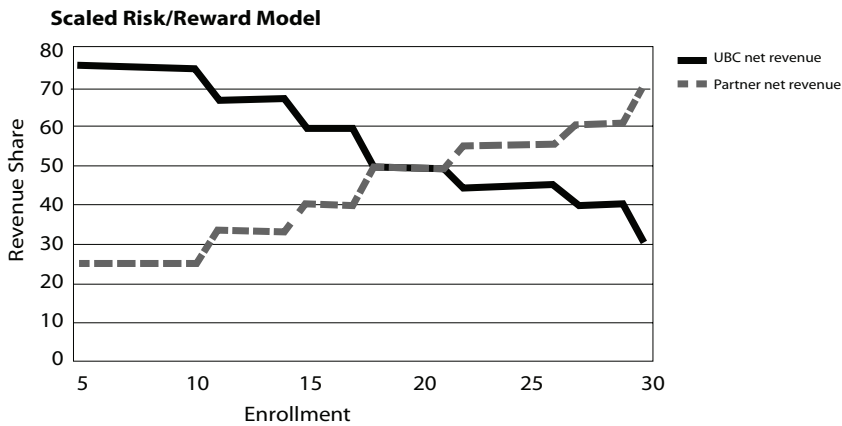



Figure 5: Scaled risk/reward model—Percent revenue share per enrollment

In situations where a 50/50 or even 60/40 revenue share arrangement would not work because the risk for one partner is deemed too high at the outset, this scaled model offers an alternative to balancing the risk/reward ratio.

CONCLUSION

Successful programming in partnership with other faculties, educational institutions, companies, and community organizations has contributed significantly to growth in enrollment and revenue at UBC-CS. In this article, we have described the concepts, tools, and financial models that have helped guide our partnership development. We have found the following to be key factors in contributing to the success of partnership initiatives:

- Nurturing a trust-based relationship where values are communicated, shared, and understood.
- Initial discussions that focus on clarifying objectives of partners, their respective capacities and competencies, and the assignment of appropriate roles and responsibilities based on value-add principles.
- Creativity in adapting a financial model appropriate to roles and responsibilities—one that adequately corresponds to the risk tolerance of each partner.

We are currently exploring possibilities for adapting tools such as Gage’s partnership charter concept to strengthen current initiatives and support the development of new partnerships in a more systematic framework. 

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APPENDIX: Responsibilities as identified in Figure 2 to guide partnership discussion

- Market research:* assessing student demand, demographic and psychographic analysis, focus groups, surveys, market requirements, needs analysis, learning environment analysis.
- Program and concept development:* defining the market opportunity, target markets, high-level program objectives and outcomes, working with advisory committees, partner analysis.
- Business plan development:* strategic planning, goals and objectives, resource analysis and requirements, roles and responsibilities, budget creation, financial management and controls, development planning, schedules and timelines, risk management.
- Academic governance:* academic/senate approvals, program outcomes, course objectives, defining the curriculum, course development, learning activities, academic resources.
- Administrative coordination:* overall program management, project management, registration, record-keeping, financial management, facilities management, bookings, A/V support, instructor hiring and scheduling, contract management, payroll and accounting, IT support.
- Student services (General):* program information, student advising, admissions, career counseling, technical support for e-learning, library services.
- Student services (Instructional):* online tutoring, managing assignments, managing individual and team projects, correcting student work, exams and quizzes, student assessment, issuing grades.
- Marketing and promotion:* marketing strategy, creating brochures and program handbooks, logo development, list management, advertising, Web site development, direct mail and email campaigns, social media strategy, public relations and media management.
- Financial risk:* risk capital, risk management, profitability analysis.
- Pedagogies for learning:* forms of e-learning and blended learning, online resource analysis, integrating e-learning with existing courses.
- Record keeping:* program records, student records, instructor records.
- Quality assurance/accountability:* quality control, instructor evaluations, program evaluations, reports.