

# The Challenges of creating disruption in a demanding customer Market



# In this Presentation, We'll explore

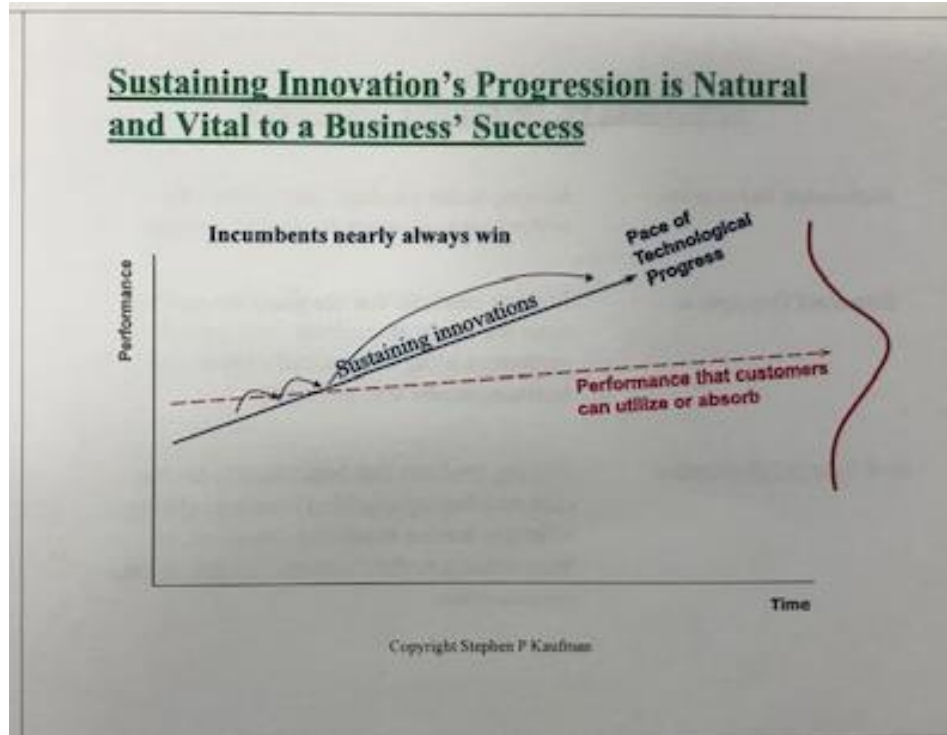
- Why many university courses are becoming commodity products enabling disruption to occur;
- The model of Disruptive Innovation and why Price and process are now the new focus in a challenging commodity education market;
- Why staff impacts are not always compatible with disruptive changes in markets; and
- Why Market demands and challenging industrial environments can be tested but consumer demand will ultimately force change on universities

# Higher Education in Australia over past Century?

- Higher Education in Australia over the past 100 years has undergone a number of disruptive changes (not all related to technology)
  - Introduction of Colleges in the early 1960s to create binary system
  - Free education introduced by Whitlam in 72,
  - Dawkins Review abolishing Free Education less than 10 years later and unifying universities and colleges.
  - Introduction of Demand Drive System of student recruitment by Julia Gillard
  - Introduction of MooCs
  - Introduction of Internet and the move to universal Online delivery now an accepted practice
  - Universal providers such as Coursera are consolidating university offerings under one banner
  - Ai, and machine learning based assessment/delivery.

# What is Disruption/Disruptive innovation

- Professor Clayton Christensen of Harvard University – author of Disruptive Innovation

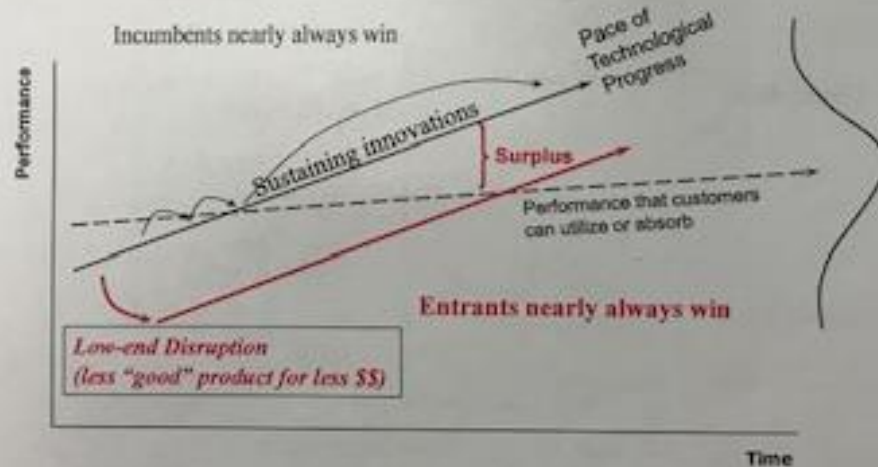


# Incumbents Win – Brand and Rankings Dictate success

- In a normal operating environment, the Business with the biggest opportunity, deepest pockets, rankings etc, will almost always win.
- Example – Established universities continue to grow rankings from their established places, attracting students on reputation, irrespective of the service offering if the range and quality of services are similar by university

# Low End Disruption?

## But it also Brings Predictable Consequences

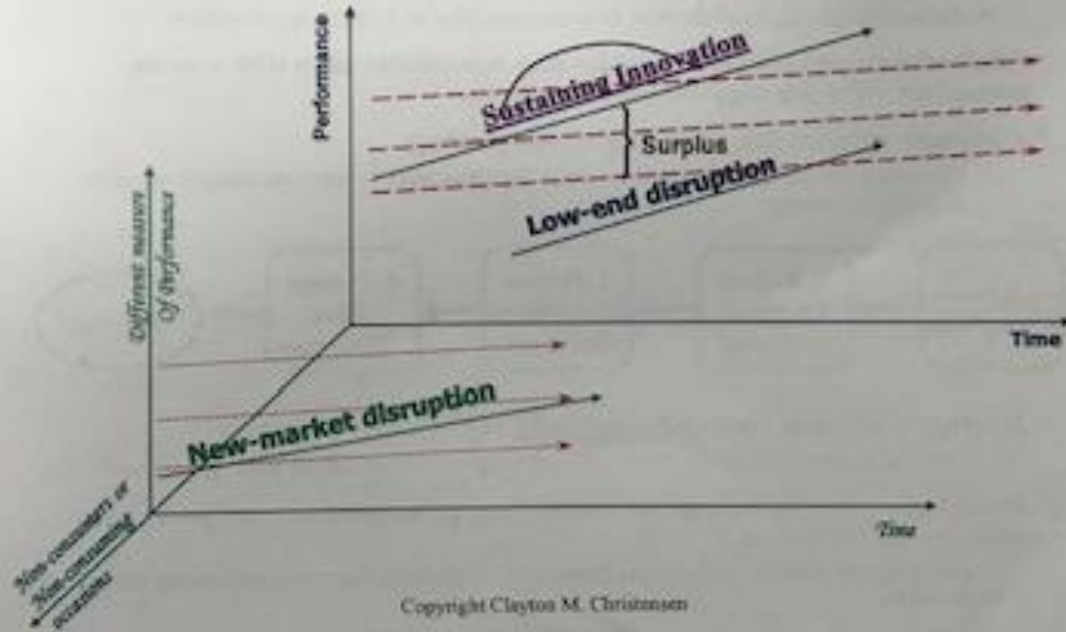


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# When Cost matters new players Win

- MBAs are rapidly becoming a commodity product across Australia, and perhaps globally.
- Reputationally they offer little difference, whatever any university tells you, although some offer very high costs, based on brand and service.
- Always a market for highly priced offerings, but
- Private providers are now making this market in Australia congested, and with great success – providers such as AIB have gained enormous student numbers for its online products, as has the AIM MBA just to name a few, ALL taking competition away from the incumbents with a lower cost fully online product.

# Two Types of Innovation, and Two Strategies of Disruption





# AND New Markets can be created

- In congested markets players look for new markets and new delivery perspectives to gain those markets.
- If the offering is significant enough new markets are created and old markets shift to meet the new market
- Introducing the \$7k MBA. Australia's lowest priced MBA.

# The \$7k MBA

- A market tested high quality MBA fully online
- \$7K, commence anytime, course.
- Targeting low end cost market and creating new markets who typically would struggle to afford the cost of conventional MBAs or who want something more flexible.
- Still in low release but demand has been very high and new markets being exposed everyday



# The \$7k MBA

- Capable of scaling up continuously, thanks to MOOCs technology.
- Capable of being driven as a global product, due to affordability and security around enrolments etc
- Use of Ai for much of the assessment, but still manual intervention required at this stage on key areas of assessment review and marking (this will improve over time).
- Still requires academics, though in a very different way to conventional MBAs



# FLIP

Flexible  
Learning &  
Innovation  
Projects

# Challenges

Student systems

LMS

Nay-sayers

Assessment



Tight timeframes

Limited \$

Governance Processes





# Thank you