

# USING ROI FOR STRATEGIC PLANNING OF ONLINE EDUCATION

*A Process for Institutional Transformation*

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## PREFACE

### The ROI Challenge

This book is about return on investment (ROI) in online higher education—and why this subject should matter. Let’s face it, the idea of measuring ROI in academia can be uncomfortable. There is dispute about who first said, “If you think education is expensive, try ignorance” (O’Toole, 2016, para. 2). Irrespective of the author, the stated opinion holds true, but it does not put an end to the discomfort. And yet, metrics matter. Precision and some degree of predictability matter. The investment made by institutions, learners, and other stakeholders is simply too large to ignore without a system that can represent ROI accurately and completely.

Public investment in education has been shown to be one of the most reliable engines for strengthening an economy, and yet, against the backdrop of ROI from campus-based higher education, the ROI of online programs remains an uncertainty in the postsecondary education market.

Due to these many questions surrounding the ROI of online higher education, the intended audience for this book includes institutional presidents (as the institution’s principal CEO and fundraiser), faculty (who are engaged in shared governance such as advisory committees and policy formation), institutional administration (who support greater efficiency, productivity, and entrepreneurial management), and learner representatives (such as the learner body president and/or elected representatives who have contact with university officials such as the president). Externally to the higher education institution the intended audience includes the leadership of national higher education associations and foundations (who contribute to the legitimization of the field) as well as representatives from federal and state legislatures and key interest groups at the state and national levels.

Why such a varied audience? Not surprisingly, the demand for online higher education has progressively grown with the impact of COVID-19 intensifying the appeal of alternate learning modalities. Key stakeholders seeking to maintain the prepandemic level of education need to synchronize themselves with the postpandemic reality—as there is no returning to prepandemic academic life.

Investments in online higher education are now being evaluated with an even more critical eye, despite higher education's ability to pivot quickly during the pandemic from face-to-face to virtual offerings. While most fully online higher education institutions have always focused on and analyzed the ROI of online offerings, many other types of institutions have not. But what became evident and appreciated during the peak of the pandemic was the institutional capability of expediently providing classroom access regardless of where learners lived or at what times they could participate. This benefited those not able to take part in a traditional classroom setting, such as first responders. During this time of crisis, in some cases technological advances actually fueled online education's effectiveness, as platforms provided optimal course pacing and content to fit each learner's needs, thereby improving educational quality and learning. Yet in spite of these and other success metrics, many faculty and academic leaders, employers, and the general public continue to remain skeptical of the quality and value of online education, which many still view as inferior to face-to-face education.

Unfortunately for the naysayers, COVID-19, with its highly infectious variants, may likely be here for years to come, and this only strengthens the case for online course offerings. Leaders and institutions are reluctantly being forced to reexamine their cynical beliefs about the relative value of online learning. This book seeks to debunk those critical perspectives through a multisector analysis by a host of subject matter experts. Through research and practical application, these experts illustrate how the ROI of online higher education is being powered by new models with the very real potential of transforming the educational system, meeting workforce demands, and ultimately improving the economy. Previously, discussions pertaining to ROI methodology in online higher education consisted mostly of anecdotal evidence presented in academic literature or the trade and popular press. This book's contributors add to the slowly growing body of knowledge and serve as a foundation for developing new practices. While the growth of fully online programs may occur at an incremental pace, many institutions have discovered the benefits of online offerings and, at the very least, some programs will remain online or become hybridized permanently.

## **Organization and Structure**

*Using ROI for Strategic Planning of Online Higher Education: A Process for Institutional Transformation* is organized around four major foundational themes: strategy, constituents and players, tactics, and special cases and

considerations. The book's organization and structure were designed to broaden and deepen the field's thinking about ROI.

### ***Part One: Strategy***

ROI as a concept lives between the institutional mission and operational plans. Historically, it has been all but overlooked in discussions about the institution's strategic direction and the pathway to successful outcomes. Too many strategic plans do not artfully articulate ROI as integral to the strategic planning process, particularly where it involves an analysis of online education. Consequently, the first chapters of this book explore the dimensions of ROI in terms of the online programming strategic planning process, discussing guiding principles, measurement, and progress tracking—and demonstrating how these efforts have the greatest possible impact across the institution.

### ***Part Two: Constituents and Players***

In the past, online professionals in higher education were considered secondary, or bench players on a college's administrative team. This is no longer the case. They have become equal partners in developing institutional strategy as it relates to online ROI, and that new clout is giving them the freedom and the flexibility to experiment with new ideas. These new ideas, for example, incorporate inclusivity, diversity, and equity from institutional stakeholders to the communities served. This section's chapters focus on the influence of previously overlooked constituents and players and their increasingly important role in affecting the ROI of online programs.

### ***Part Three: Tactics***

Depending on what types of return institutions seek from the investment made in developing online programming, a variety of tactics can be employed to improve ROI. Examples include pursuing increased profits via reduced expenses or less tangible benefits such as improved online operating efficiencies or increased brand awareness for online programs. The chapters in this section examine various best practices colleges and universities can institutionalize to set goals and identify benchmarks for increasing and measuring payback.

### ***Part Four: Special Cases and Considerations***

Previous sections in the book detailed how ROI strategy, stakeholders, tactics, and decision-making contribute to the evaluation and comparison of online programming investments in the context of their ability to generate income.

This section examines newer initiatives within the field of online learning in which determining ROI is still more of an art than a science. In the face of a recession, state budget cuts, and decreasing enrollments, the potential to generate revenue becomes a key driver in whether a program will succeed or fail. Chapters in this section identify key factors in identifying and defending the ROI of newer and often intangible investments.

## Conclusion

Ultimately, what is needed for online higher education ROI is a broadening of the camera lens so that it looks beyond mere traditional ROI. Existing ROI evaluation methods at many institutions are either nonexistent or inadequate. *Using ROI for Strategic Planning of Online Higher Education* offers both strategic and practice insights into how online higher education institutions can manage costs, invest in learner success outcomes, and deliver high-quality online programs to an increasingly diverse learner population. Applying the right metrics will provide data on how to define what success looks like and how to measure and leverage those successes, as well as on what is not working and how to facilitate decisions about whether to continue or exit from a given initiative.

## Reference

O'Toole, G. (2016, May 3). *If you think education is expensive, try ignorance*. Quote Investigator. <https://quoteinvestigator.com/2016/05/03/expense/>