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Opportunities
in disruption:
exploring value
in education

Insight report // June 2022



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Executive summary

This report explores disruption in education through considering how value is created, and how that value creation is changing. To produce this insight report, OES convened a group from across higher education institutions and membership organisations.

The main takeaway from the workshop was that colleagues across the sector – from different institutions, roles, experiences and perspectives – are optimistic, creative and excited to capture the benefits of disruption to provide the best quality for students. They see the many ways in which disruption affects providers of education – just as every sector faces disruption – and they are buoyed by the opportunities afforded by change.

As regulation, technologies and consumer behaviour are changing the conditions in which education providers operate, these disruptions also provide opportunities to create value. We found a call for transition from a sector which can have disconnected approaches to serving students' needs to one capable of more connected actions leveraging data and inclusive ways of working to create new value. This approach is based on thinking of value

creation and retention as a continuous cycle rather than a repeating linear chain. In practice, this approach would mean better integration of students' and employers' input into the design and delivery of education.

We concluded that:

1. Diverse perspectives are vital for creativity in response to disruption
2. Partnerships beyond the institution can unlock new opportunities
3. Bold strategies may be needed to respond to the scale and speed of disruption

We hope that the report provides a useful and practical contribution to education leaders' thinking on how to evaluate and respond to the disruption that they see.



Foreword

I see enormous disruption across education sectors globally. While I see continuities too, the overwhelming picture that I have – based in part on my conversations with university leaders and other stakeholders in the UK, Australia and USA for the HEDx podcast – is that the world is changing rapidly, and institutions have to respond.

The disruptions I see – in funding and regulation, ways of learning, the development of partnerships, uses of technologies – require radical responses in strategy, culture and engagement of stakeholders. While some may see this as a threat, others will find the opportunities in this shake up of what can be a conservative or slow-moving sector.

When I met with colleagues for the workshop in March 2022 on which this report is based, I was struck by the power of using value – its creation, and how it is changing – as the basis for engaging colleagues in the idea of disruption. As Eleanor Winton, our facilitator, explained with her co-author Ruth Murray-Webster in *The Disruption Game Plan*, organisations need to consider how they can connect the ‘end’ of the value chain back to the beginning to create a self-reinforcing cycle. This is a model being adopted across a wide range of sectors, particularly within technology-led businesses where the power of data – the basis of knowledge about the consumer – is used to interrogate how services and products are used to help shape innovations and build the brand loyalty that is so essential for competitive success.

For even the most ardent rejector of the idea of ‘value creation’ in universities, I argue that this framing enables us to think creatively about the intellectual, social and cultural value and not simply think of ‘the business’ of education. As we think of connecting the beneficiaries of education into the design of our approaches – an integrated approach to involving alumni and employers into course design, for example – the better we can continue to create that which is valued.

The conclusion must be that education providers require radical strategies to make the most of disruption, and that they can only do this with the right diversity of perspectives internally, and the capacity to build partnerships externally. I invite you to think critically about where you see disruption, what can be gleaned from the trends and issues in other sectors, and to think about how you can help education to continue to play its valuable – and valued – role for the good of society.

Emeritus Professor Martin Betts
Co-Founder of HEDx

Disruption and the value cycle

Disruption in education is a talking point which arises in many of the conversations that OES has with our partner organisations.

As a topic, disruption serves as a useful framing for exploring the world around us without looking too far ahead to futures which can seem unreachable from the here-and-now. It's also a topic which is top-of-mind for education leaders who have seen radical transformation in the ways education is designed and delivered during the pandemic. While we don't focus in this report on covid responses specifically, the experience of disruption is clearly an important contextual feature.

OES convened a workshop to explore disruption with participants from higher education providers and membership organisations. And we are grateful for the enthusiastic and creative engagement with the topics from everyone who joined us. In this introduction, we outline our approach to that workshop. What follows is the outputs from the discussion, including some specific areas where disruption is being experienced, and then some general conclusions which may help leaders to think about managing disruption in their own contexts.

Value should be explored because disruption targets value

When disruption occurs within a sector, those changes influence where and how value is created, retained and destroyed. Disruptors will identify opportunities to target, and capitalise on, value in the system. Many sectors have seen major disruption, for example the arrival of virtual estate agencies challenging the traditional role of local expertise, or in consumer goods the advent of subscription-based solutions for household staples like toilet paper. An essential task is therefore to try to understand, and to articulate, how value is created now as a starting point, especially where many assumptions are not expressed overtly.

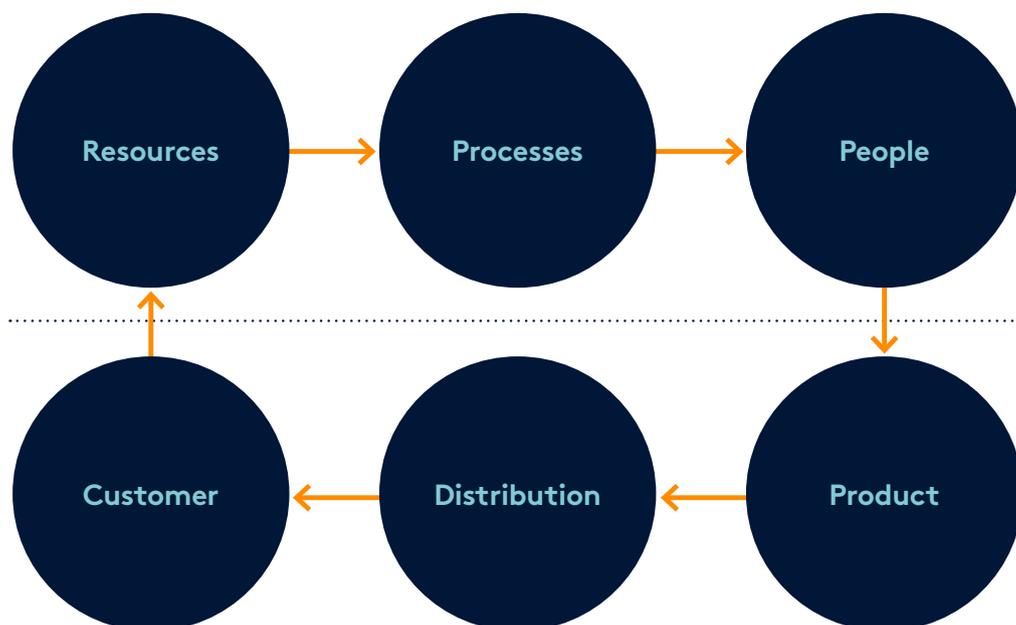




“As a society, we have created lots of regulation, structure and process to manage the change that follows disruption [but] the way that organisations respond to threats and opportunities in reality is fundamentally human. In other words, it’s driven less by process than by the willingness of the leadership team to explore new value rather than protecting what they have. Setting out to protect what you have all too often becomes a strategy to protect margins rather than value. In a stable environment, when barriers to entry are high, that might work... for a while. In the current environment, full of emergent trends and risks, it leaves the door wide open for disruption.”¹

1. Murray-Webster, Ruth and Winton, Eleanor (2021) *The Disruption Game Plan: New Rules for Connected Thinking*, Practical Inspiration Publishing, 4

Figure 1 // The value cycle²



For the education disruption workshop, our facilitator Eleanor Winton introduced a framework which considered a traditional value chain model of a repeating linear progression through resources, processes, people, product, distribution and customer. We then considered it as a cycle, as has been adopted in other sectors and contexts, and used that framing to consider where disruption is already happening.

Figure 1 shows the value cycle. As in some other sectors, we concluded that there is a greater risk that the value in the lower half – products, distribution and customer – will be disrupted by new competitive entrants to education, and by technologies. While there are some dramatic shifts in resources – for example the availability of lab-grown diamonds, or major swings in energy costs – it is the speed and risk of disruption in the lower half where we see consumer expectations changing more significantly. For example, new ways of distributing goods like home kits for teeth straightening, which are more convenient and cheaper than visiting the dentist, are disruptive innovations changing the way we think about traditional roles and settings in the sector, as well as the value they deliver. Too great a focus on resources, processes and people risks confirming traditional ways of thinking of value – and assuming that things are unlikely to change at pace – rather than being open to new opportunities.

Disruption affects all elements of the value cycle

In addition to the pandemic’s effects across all elements of education delivery, there are many factors causing disruption. These come from political, environmental, social and technological forces, among others, and happen at different speeds and intensities. They also have varied effects on different parts of the education sector. The following section considers a selection of the disruptive dimensions affecting education, specifically in learning and teaching, and the relationship between providers and students.

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2. Ibid, 60

From present to future value

Workshop participants described those elements of education provision which they thought would disappear by 2030, and those which would appear.

Table 1 shows a summary of the features of future education, and how value may shift within the cycle.

Table 1 // Looking ahead

What will be prevalent in education by 2030?

Inclusive decision-making approaches will consistently integrate the perspectives of students, industry and civil society better linking beneficiaries of education to the design and delivery of experiences

Fully **customisable education** will empower learners to navigate their journeys, including across institutions and between types of provider, with increasing industry involvement in delivery supported by technologies which enable individuals to record and share their portfolios

The **value of the university** as an accrediting authority will diminish and be displaced by increasing involvement of technology providers and professional bodies

Ubiquitous on-demand education delivered through multiple technology platforms will provide increasing accessibility, flexibility and personalisation, and make a wider variety of learning experiences available for study anywhere at any time

Students will access information about university options through more technology-enhanced sources including virtual and augmented reality experiences with an end to the showpiece in-person open day

Peer assessment will be a more significant part of education, particularly for entry to professions, as social proof becomes more important for asserting capability

'Digital' will no longer be a prefix as **technology is more seamlessly integrated** into education, both in the operation of providers and in the delivery to students, to improve efficiency and accessibility

Personalised careers support will provide targeted information for learners, not just while they study but as a diagnostic tool at the outset of their study and throughout their developing careers

In our discussions, it was clear that the UK government's plans to stimulate lifelong learning and to support regional development through 'levelling up' in England are key to how educational institutions are thinking about developing their offer to students. With greater expectations of flexibility in delivery – the prospect of a funding system which better enables lifelong learning – providers are looking critically about how they can best serve the needs of learners beyond traditional groups, particularly in universities. Beyond these current policy developments, we found three areas where disruption presents particular opportunities for education providers.

Certificating learning remains vital but the university's role is changing

Confidence in credentials is a high value part of the education chain, but it is under threat by accusations of 'unmerited grade inflation' and by professional bodies questioning the role which education providers have for authenticating performance for entry to some professions. The transition from a world which focuses on the generation of credentials to one which develops, and expresses, capabilities could shift significantly where institutions see their value. This approach does not need to mean that universities become 'worker factories', rather those institutions which foster well-rounded, agile, curious contributors to work and society should be able to share and celebrate these features of graduates beyond the degree certificate.

Flexibility through technology is disrupting how we engage with all aspects of education

The ways that technology has disrupted learning – over the past two decades – and particularly through the massive changes of the past two years, has shifted real and perceived value within education. The technologies can also enable flexibility for students to study when and how suits them best. For some providers, this disruption to the value represented by the physical campus' amenities means a greater focus on the rich value in the content and delivery of education. There may also be greater value in the technological tools of education delivery as well as the content itself: there cannot be an assumption that that which is valued, and invested in, by the institution will be equally valued by learners.

Building effective lifelong learning starts with existing students

Education must be a key component of meeting the productivity challenge, and within that, educational institutions should be creative spaces for innovation, debate and the place where ideas are developed and tested. Moving away from the idea of front-loading education, universities in particular are embracing lifelong learning, including through expanding micro-credential

portfolios. To embrace the disruptive dimension of this shift, providers should connect the value chain to make a cycle. This means embedding a stronger integration of learners' experiences, and the realities they face in work, into the design and development of curricula. Institutions can also better offer their alumni upskilling opportunities which are timely for their career development. The relationship of universities and their students can thereby enable the lifelong learning that is required for the rapidly changing labour market, but new data capabilities may be needed to take full advantage of this opportunity.

Responding to disruption requires new ways of working

Disruption reflects changes which necessitates responses, but it will not always be possible to identify the precise ways in which to respond optimally. In the workshop, participants identified features – see Table 2 – of the present and future education systems which serve as a summary of the change they thought would be required for education providers to take advantage of disruption.

Table 2 // Looking ahead

From disconnected thinking	To connected action
Transactional	Personalised, with a single view of the learner
Exclusive or restricted	Inclusive and accessible
Front-loaded	Long-term relationship with learners
Fixed timetables and timeframes	Technology-enabled flexibility
Rubber-stamped decision-making	Partnership approaches for mutual value

The exploration of disruptive forces could feel threatening, but the framing allows for education providers to define and articulate where and how they provide value, and to respond to changes. The workshop participants urged others to embrace – rather than hide from – the challenge of disruption, and to focus on providing the highest possible value to all stakeholders, avoiding the 'race to the bottom'. Experimentation, leveraging the power of your data, and renewed approaches to collaboration should all be tools which help adapt to the changes in value creation. Ultimately, it is the focus on the needs of the student across the whole chain which is essential to maximising value.

Conclusion

Disruption is inevitable; the choice we have is what to embrace of the opportunities that change presents. In the course of exploring the current state of the sector, and in looking to its possible futures, we found three important factors which could help organisations as they face disruption.

Diverse perspectives are vital for creativity in response to disruption

Actively seeking ideas from beyond the education sector will improve responses to change. With disruption coming in multiple forms and simultaneously across dimensions, institutions need to embrace a diversity of ideas and perspectives to cope with the complexity, including from beyond education. This multiplicity of viewpoints can help to ensure that organisations identify and evaluate the opportunities and threats and, building on that analysis, take proportionate action.

Partnerships beyond the institution can unlock new opportunities

Knowing when and how to collaborate across organisational boundaries – and across the public, private and third sectors – will generate new opportunities and increase resilience. Ways of working, particularly in the higher education sector, have not always embraced partnership working to set – and deliver against – mutual goals. As disruption reshapes how value is created within education, it may be ever more necessary to find partners with whom to collaborate.

Bold strategies may be needed to respond to the scale and speed of disruption

The nature of disruption in education presents major opportunities for those institutions able and willing to be bold. There is enormous value in the present education system built on reputations, histories and significant records of accomplishment. The experience of the pandemic has, for many, shown what is possible when it comes to rapid and widespread change. Embracing the disruption facing the sector may mean breaking some path dependencies – building on the past, but recognising new conditions for success – to strike out in new directions.

When exploring disruption, we found thinking in terms of value – how it is defined, created, shaped, and shifting within education – to be a useful framing for conversations. We trust that you may find value in this contribution to the sector's debates, and that it supports your thinking about what disruption is out there, and what you might do in response.

Acknowledgements

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To learn more about the work of OES and how we work with education providers to enable student success, visit www.oes.com or contact Managing Director Andrea Burrows (aburrows@oes.com).



The image features a dark blue background with several large, solid orange shapes. On the left side, there is a large, thick orange arc that curves from the top left towards the bottom center. Below this arc, there is a large, solid orange circle. In the bottom right corner, there is a smaller, solid orange circle. The overall composition is minimalist and modern.

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//+44 (0)20 3890 6910

//enquiries@oes.com

//www.oes.com