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SAT: Can Open Education Resources pay their way? (Daniel Clark)

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The question of who pays for Open Education Resources (OER) has been debated for several years. There was initial optimism that, over time, we would establish models that would make OER financially sustainable (Downes, 2006). This has not generally been achieved and most OER remain dependent on one-off grants (de Langen & Bitter-Rijkema, 2012). The organisations in the vanguard of developing a business model for OER are the MOOCs, where there seem to be two possibilities emerging. Firstly, universities are providing OER to raise awareness of their courses and build their brands, and secondly the big providers are aiming to build their market position by ultimately restricting choice, so that they may be in a stronger position to charge. These commercially-driven trends are not really considered to be in the spirit of OER and are disappointing to many of its proponents (Weller, 2013).

This paper will argue that a key reason for this predicament is that serious consideration has not been given to what we were trying to achieve with OER and the value (in the broadest sense) that they deliver. In fact, support for OER often seems to be based on an ideological position or conviction, rather than on analysis or evidence, and it has been argued that OER are not valuable, or at least the value is highly questionable (Knox, 2013). It may be that OER are provided for free only because the costs are being displaced to somewhere less visible, for example time spent by users searching for and validating content. Little research has been done on who is using OER (de Langen, 2011), let alone the benefits they are gaining. Until the value delivered is identified and understood, it will be extremely hard to establish a financial model or, perhaps, determine whether a financial model is possible.

This paper applies insights from business academics on configuring value (Stabell & Fjeldstad, 1998) to this issue.

There are considered to be three broad models by which organisations generate value – transforming inputs into outputs (value chain), solving customer problems (value shop) and linking customers (value network). The drivers of value and the way these organisations need to be configured, and think, are very different. Education is an example of a 'value shop', but the logic of OER is the 'value network', so it is little wonder that the shift in thinking is profound and difficult.

The paper will also review the emerging business models of the digital economy, such as those in the music industry which is also facing some comparable issues around value and

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costs. In this example, payment for music services has been linked by recent research to community participation (Oestreicher-Singer & Zalmanson, 2013) and subscription services are rising in popularity (Dean, 2013). The paper suggests that education can learn lessons from another industry undergoing a painful transition that will help in establishing sustainability.

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[Sian Lovegrove](#)

2:37am 15 February 2014 [Permalink](#)

Wouldn't want to miss your presentation. I am interested to see where money can be generated in OER. It's all very well giving it away but someone has to pay for it in the end. My work is cancelled today so I am thrilled to be able to come along. I hope I will be able to see more than I was able to on Thursday. I think from memory yours is a PPT so fingers crossed that will display for me. Good luck Daniel and thanks for the 'keep it simple' advice you gave me in Shrews - I did a PPT afterwards and made it into a video and it seemed to work better than a Prezi would. Sian



[Daniel Clark](#)

8:26am 15 February 2014 [Permalink](#)

Thanks Sian. I'm really sorry that I wasn't able to make your presentation on Thursday as I had to be at work, but hope to see the recording.

I worry that I wander off the topic a little, but hope it will be interesting anyway. Will be great to "see" you later on.



[Jonathan Vernon](#)

2:57pm 15 February 2014 (Edited 3:00pm 15 February 2014) [Permalink](#)

This is the power of the human voice and ultimately why meetings have to be face to face. I found myself nodding in agreement right across the presentation. I was almost knocked off my feet this summer when asked to, almost expected to pitch my ideas to a venture capitalist in California ... from their perspective a pot that must be invested and knowing that seeding many projects works. This is where the US constantly steals our thunder by getting ideas funded, out there, promoted and alive ... while we in GB dance around in wonderland doing it for free. It is too fine for tenured academics to poo poo the money - the world is moving too fast for everyone to progress through an MA and PhD before they can get funding. Learn the art of pitching and failing, and succeeding ... and being commercial and 'professional' in its purest form 'to be paid'.



[Dr Simon Ball](#)

7:17pm 15 February 2014 [Permalink](#)

Following the live presentations, we asked each speaker to respond to questions posed by audience members. In the short time available, it was not possible to put all of the questions submitted to the speaker for a response. We asked all speakers if they would respond to the unanswered questions here on Cloudworks. Here are all of the questions asked during the session:

- ▶ Does Udacity release materials as an OER (4 Rs re-use?). Same goes for FutureLearn.
- ▶ Is this an example of corporate social responsibility or something like it?



[Daniel Clark](#)

2:54pm 16 February 2014 [Permalink](#)

Jonathan, thank you for your comments. I do think having a commercial model can be important to scale up an idea and too often this is seen a "bad form" in the UK. Even the OU is squeamish about the fact that ultimately its business model for OER is essentially marketing the paid courses - I think this point came out in the discussion on Thursday.



[Daniel Clark](#)

2:57pm 16 February 2014 [Permalink](#)

Answers to questions:

- ▶ I believe that Udacity and Futurelearn do not release their material for re-use. In the case of FutureLearn this is partly because they do not own most of the content carried on their platform - it belongs to the providing university. In both cases, there is clearly a commercial reason for not allowing re-use. By some definitions, this definitely means they would not be considered OER.
- ▶ Yes, I think some universities are providing OER as part of a corporate social responsibility programme. However, this is likely to be limited as a motivator. Usually, a full commercial model is much more scaleable and sustainable.



[Daniel Clark](#)

2:58pm 16 February 2014 [Permalink](#)

I have made recording of my presentation and posted it [on my YouTube account](#). As the conference was invitation-only, I thought I should share it more widely in case anyone is interested.



[Sian Lovegrove](#)

3:19am 17 February 2014 (Edited 3:23am 17 February 2014) [Permalink](#)

Daniel,

Have managed to download the recording and seen your presentation now. It was interesting that people were spending money because they wanted to listen to music but to have a music related experience. I can't imagine universities willingly deviating from their core product to encompass some sort of social media experience too, but then there is a lot nobody could have imagined that has happened so who knows. I think using the music industry as a comparison was a master stroke so well done for spotting that.

If you want to watch mine some time it is here
[https://www.dropbox.com/s/y6hvmbxdgmd76gk/Lovegrove Presentation.wmv](https://www.dropbox.com/s/y6hvmbxdgmd76gk/Lovegrove%20Presentation.wmv)

Sian

p.s. you get a mention in my presentation!!



[Daniel Clark](#)

3:05pm 17 February 2014 [Permalink](#)

Thanks Sian - I will definitely watch yours as soon as I can.

There was some discussion on the chat function about this, I believe. I think the definition of "experience" is more complicated for education than for music, but my key point was that providers can't expect to just give learners a load of content (reading lists, recordings, lectures etc.) and expect them to be happy with it. The best providers have always done more than this, of course, but the experience needs to be centre stage, not the content imho.



[Claire Griffiths](#)

8:09pm 25 February 2014 (Edited 9:43pm 25 February 2014) [Permalink](#)

I enjoyed your presentation and have made a note of the Alison Foundation. I agree with the idea that a free course can have an issue of validation.

As a user of free open source resources myself as a Computing teacher I am always looking for new idea. I can't really use anything which requires the children to get their own login so that eliminates quite a few web resources. I use Scratch and Kodu. Scratch in particular has an integrated development environment (IDE) so it is easy for the children to use out of class. I used it in a Coderdojo event on Saturday.

In Scotland the children used to use a wordpress blog for their e-portfolio. This is part of the Glow Intranet system used in all Scottish state schools. It worked well,. We are waiting for a bespoke version to replace the wordpress version.

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