

Coursolve: Strategy for Entry into the Corporate Market

The purpose of this analysis is to recommend a strategy for Coursolve's entry into the corporate market, determining what type of customer Coursolve should target within the corporate space and how those corporate customers could derive value from interacting with students.

Environmental Analysis

The market for online learning was estimated at \$91 billion in 2012 and is predicted to grow by 23% per year over the next five years. Meanwhile, the cost of higher education has risen by 84% since 2000, and student debt stands at over \$1 trillion.¹ Although MOOCs and other online learning technologies have not yet coalesced around a dominant model, they are poised to create disruption in the market for higher education. MOOCs themselves have managed to attract around 8 million users, with single courses often reaching 50,000 to 100,000 students registered. For more on the environment in which this industry operates, see Exhibit 1.

Coursolve is one of many startups that have emerged following the advent of massive open online courses (MOOCs). The MOOC market is dominated by the Big Three MOOC providers – Coursera, Udacity, and edX – but many new entrants have joined this market as well. Coursolve currently works in partnership with edX and Coursera, providing opportunities for complementary experiential learning to students enrolled in courses from these sites. Like many players in this market, while it has attracted a large number of users, Coursolve has not yet established its revenue model.

Value Proposition

One source of value that hasn't been fully realized by MOOC providers and others is to connect work-relevant training with practical experience and ultimately with employment. As a forum for talent identification, Coursolve is well-positioned to capture value within the corporate recruitment market. Coursolve could become an important participant in what Deloitte calls "the open talent economy," in which corporations seek talent from non-traditional sources and rely on a wide-reaching network of consultants and freelancers to complete many tasks.² Research by LinkedIn suggests that while only 18% of professional candidates are actively looking for work, 78% are open to discussing new opportunities. Traditional job postings expose available positions only to the population of active job seekers, who tend to be more junior and to have been in their current positions for a shorter period of time.³ Therefore, in order to find the best candidates, corporations will have to use recruitment methods that reach a population that is not actively seeking employment.

Coursolve's main value to corporations, then, will be as a non-traditional source of talent identification, with secondary value derived from boosting brand visibility and good will.

Competitor Analysis

Coursolve will be competing with other companies seeking to attract corporate clients who wish to interact with online learners. Determining exactly who Coursolve's competitors are will ultimately depend on how Coursolve positions itself within this market. Competitors may include MOOC providers themselves, social networking and recruiting companies, and/or providers of experiential learning and internships. LinkedIn, the largest social networking and recruiting site for business, has partnered with several MOOC providers to offer electronic badges for course. Other smaller companies are also using online platforms to identify talent, as well as to provide opportunities for experiential learning and problem solving. Companies such as MindSumo and Kaggle use online competitions to identify talent, while Catchafire and MindMixer connect problem solvers with needs in government and non-profit sectors. For a graphic representation of the types of players in this marketplace, see Exhibit 2.

Capabilities Analysis

Coursolve has several advantages in this market. First, Coursolve has experienced early successes in partnering with Coursera and edX. Coursolve can also be considered a first mover insofar as it is the first organization to connect current MOOC students with learning projects designed by corporations. Additionally, Coursolve gets exposure to tens of thousands of new learners every time one of its partner courses is offered. Perhaps Coursolve's greatest and most marketable capability is its proven ability to attract capable and well-educated learners with a high level of motivation. In a recent Coursolve experiential learning offering, 41% of students had a Master's or other professional degree, and 80% were employed.⁴ For a graphic summary of these capabilities, see Exhibit 3.

Challenges

Coursolve's main challenges stem from the difficulty of extracting value from this market, as evidenced by the lack of players that have managed to generate any revenue at all from MOOCs and related services. Furthermore, a culling and consolidation of this market is predicted in the near future.⁵ Coursolve also faces the very real threat that a larger player could easily imitate any successful attempt by Coursolve to capture value through connecting students with businesses. In fact, making such MOOC-to-company connections is already part

of Udacity's strategy. In order to create a sustainable business model, Coursolve will need to leverage unique capabilities. See Exhibit 4.

Coursolve's strategy will have to rely on creating a forum for interaction between learners and organizations that is not easy to imitate. Coursolve has begun to do this, but its model still needs some refining. 47% of organizations in a recent offering were not able to accurately predict how much time they would need to spend interacting with learners. Only 10% of organizations posting real-world problems actually had their problems solved by the end of the course.⁶ There is a great deal of work to be done in educating organizations about how to best interact with students and how to structure needs to as to ensure success.

Recommendations

1. **Focus on project management methodology.** Rather than beginning to aggressively recruit corporations, Coursolve should focus on improving the quality of interactions between learners and organizations. This means that in addition to attracting motivated, capable learners and corporations in which learners have a high level of interest, Coursolve will need to develop a project management methodology that consistently results in high-quality outcomes for both learners and corporations. In this way, Coursolve can differentiate itself from a competitor such as LinkedIn, which attracts high numbers of job seekers and companies, but does not provide a way for them to have high-quality interactions. Coursolve should strive to find 1-3 well known corporate willing to collaborate in the development of such a project management methodology.
2. **Continue to recruit learners through Coursera and edX.** Coursolve has shown an ability to attract mid-career learners who are looking to expand their skill sets or change careers, exactly the type of student corporations will find interesting. DO NOT sell Coursolve to learners as a recruitment platform, but rather as an open learning site.
3. **Focus on the types of organizations Udacity is unlikely to work with.** Udacity is Coursolve's biggest competitor in terms of connecting MOOC students with corporations. Coursolve should try to differentiate itself from Udacity by focusing on non-technology-based learning opportunities.

Exhibit 1. Environmental Analysis

Demographic and Labor Market Trends	Socio-cultural Influences
2.4 billion internet users Global market for education growing, especially in developing countries Corporations' need to engage in the "open talent economy"	High level of interest in online education as an alternative to other kinds of professional training Majority of MOOC users already hold college degrees
Technological Developments	Political-Legal Pressures
Moocs and related technologies Importance of technology in work	Pressure to lower the cost of education Need for skilled or re-skilled work force to match changes in economy
Macroeconomic Impacts	Global Issues
Student debt at \$1 trillion Growth in value of higher education has not matched increase in cost	Majority of MOOC students from US, Brazil, India, Canada, Europe Globalization of work and recruitment Existence of global teams, with members different physical locations

Exhibit 2. Online Learning, Experiential Learning and Recruitment Market Niches

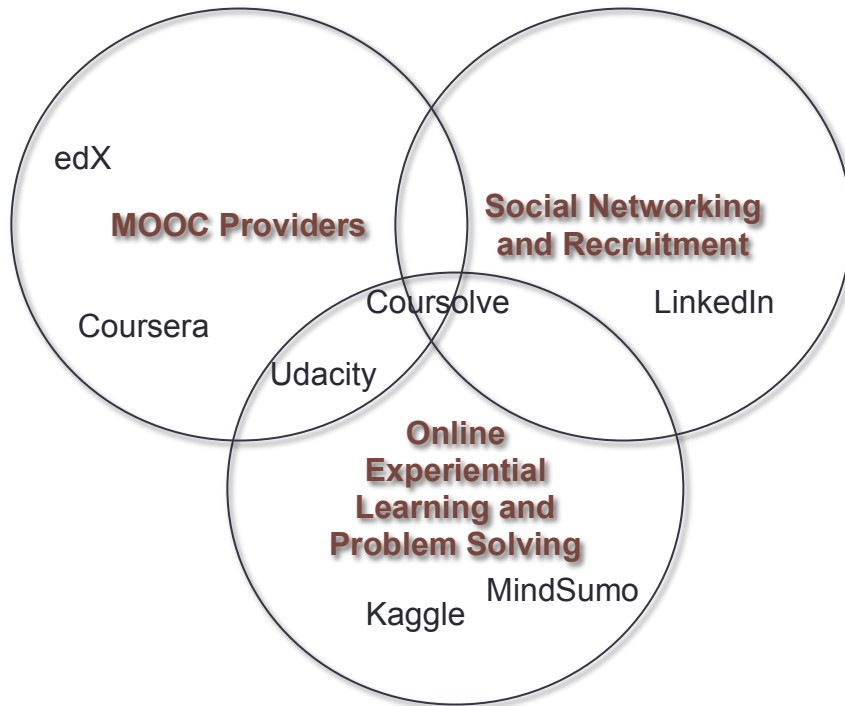
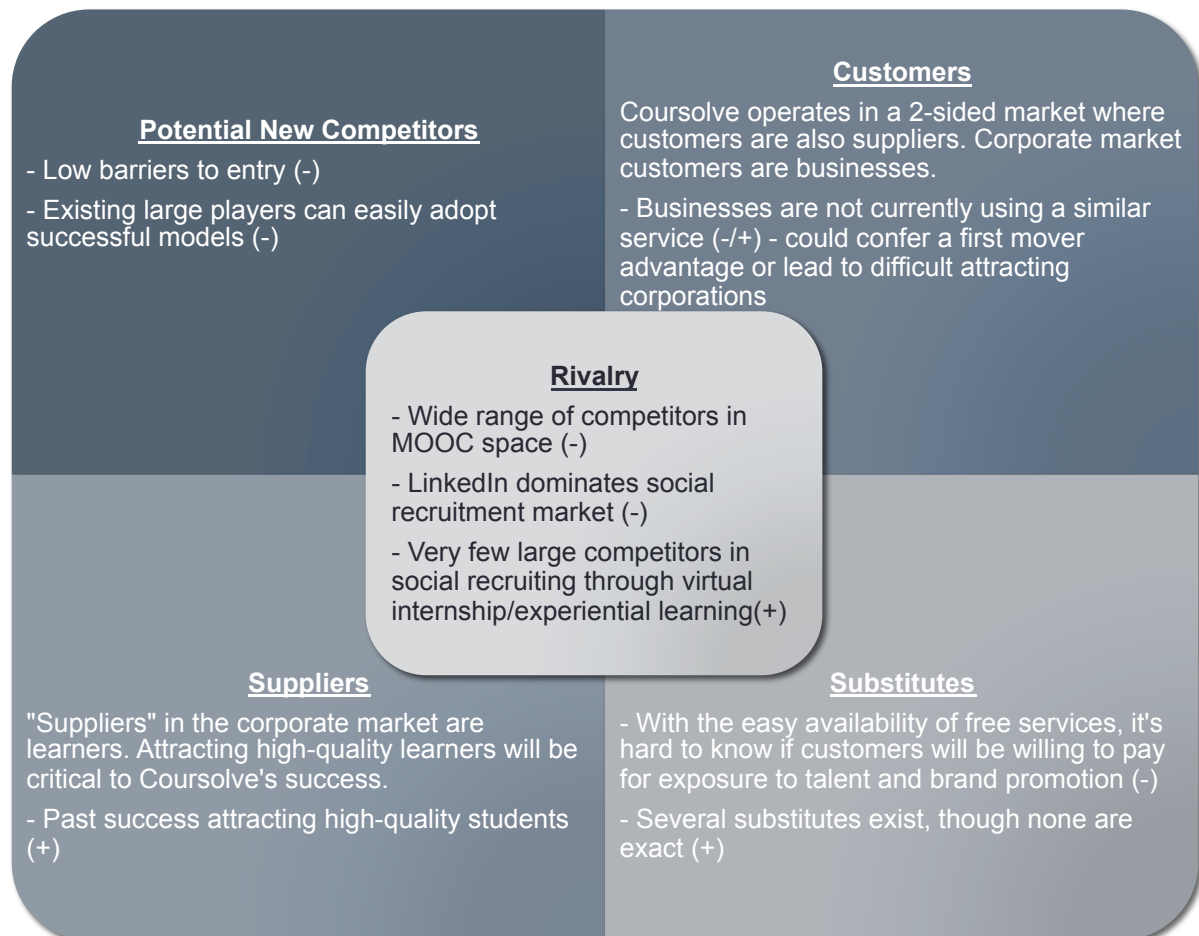


Exhibit 3. Capabilities Analysis

<p>Coursolve's Capabilities</p>	<ul style="list-style-type: none"> - First-mover advantage - Partnerships with big industry players Coursera and edX - Exposure to 50,000 – 100,000 new learners every course offering - Proven ability to attract highly educated professionals as learners
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Exhibit 4. Five Forces Analysis



¹ "Global e-Learning Investment Review." (2013) *IBIS Capital*.

² "Human Capital Trends 2013: Leading Indicators." (2013) Deloitte.

³ "The Job-Seeking Status of the Fully-Employed." (2010) Lou Adler, LinkedIn Recruiting Solutions.

⁴ "Coursolve Data Pack." (September 2013).

⁵ Global e-Learning Investment Review." (2013) *IBIS Capital*.

<http://www.ibiscapital.co.uk/resources.aspx>

⁶ "Coursolve Data Pack." (September 2013).