

Global Education Expectations. Q1 2019 Executive Panel

806 respondents from 63 countries report an overall positive short-term outlook for education but most expect sector disruption by 2025. Emerging markets expect the highest levels of short-term growth.

📅 14 May 2019

806 global executives, policy-makers, academics, entrepreneurs and investors from our online executive panel shared their expectations on the outlook for education in their country, their category and institution. This is the first survey for HolonIQ's longitudinal study of the state of global education.

The emerging markets of Africa and LATAM are more conservative about significant change, whereas all other regions expect disruption to their market within six years.

1. Disruption

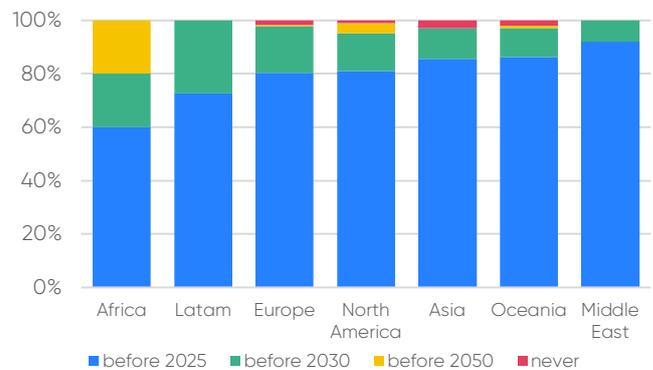
When do you expect major disruption to your market?

The vast majority of respondents expect major disruption to occur by 2025, defined as the creation of a new market or value network or displacing established market-leading organizations, products, and alliances.

“We are right on the cusp of disruption. I am excited to see how it will emerge and am keen to be part of it. I certainly don't think my institution is anywhere near ready to respond”.

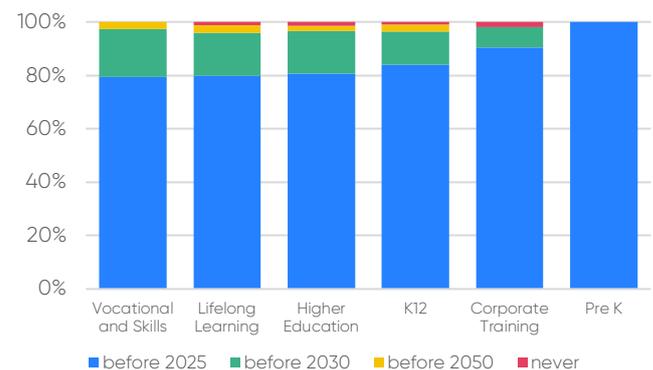
Respondent, Oceania

Expectations for disruption, by region



By sector, more respondents from corporate training expect disruption by 2030, most likely due to lighter regulatory constraints, talent shortages and urgent upskilling requirements.

Expectations for disruption, by sector

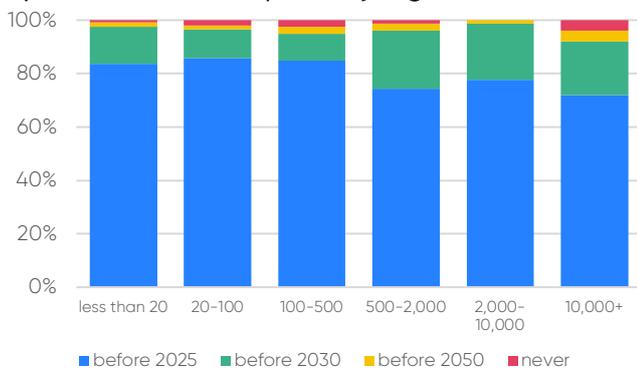


“The shifts are already beginning, the larger players see it, but they are caught in the incumbent’s dilemma, it’s difficult to invest and innovate when the existing business model has not yet failed.”

Respondent, Oceania

However, even in more heavily regulated environments, over 80% of respondents expect disruption by 2025. Generally, those in small to medium organizations see disruption as a faster moving phenomenon than large incumbents.

Expectations for disruption, by organization size



“We need to change the economic model of higher education. I am not an economist, but I recognize that we offer a non-differentiated product, in a saturated market so how can we create value for non-traditional stakeholders?”

Respondent, Middle East

2. Market Conditions

How are current education market conditions in your country compared with six months ago and how do you expect market conditions to be in your country six months from now?

Respondents were asked to assess market conditions such as the state of education policy, regulation, opportunities and risks, enrolments and growth for their local market compared with six months ago and their expectations in the next six months.

“Conservative forces are shaping education market regulations, decreasing institutions freedom to create products. The market, then, is going backwards.”

Respondent, LATAM

Respondents from Asia, Oceania and to a lesser extent Europe reported large positive changes in conditions in the last six months and also expect positive changes across the next six months.

“I’m expecting real transformation of higher education to occur outside the US and Western Europe. Where are you seeing acceleration of change in models and methods for the Fourth Industrial Revolution?”

Respondent, North America

More than half of Asia and Oceania respondents expect moderate and substantial positive changes to the market outlook in the next half year.

“UK Government policy for funding vocational education is causing issues for institutions and business”.

Respondent, Europe

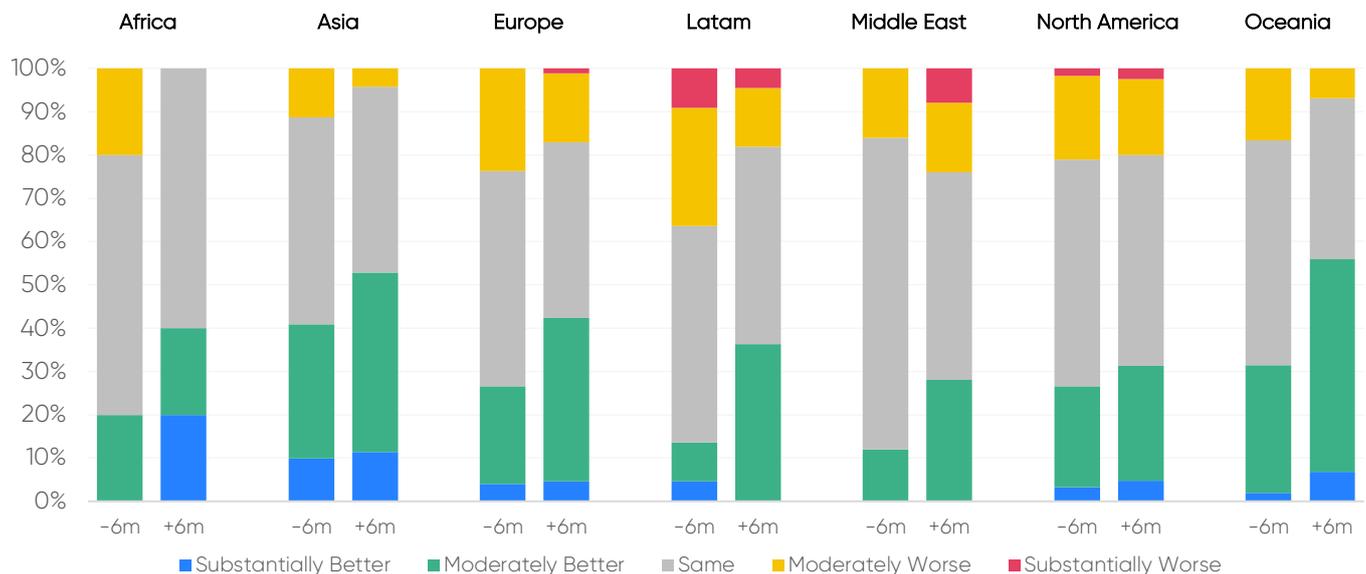
LATAM and the Middle East suggest bigger positive turn arounds over the next six months however the Middle East was the only of seven regions to show an increase in the deterioration of conditions.

North America is showing relatively stable conditions with 30% reporting positive changes over the prior and next 6 months and 20% reporting deterioration prior and next. Just under half of respondents from North America expect no change to conditions in their market.

“How can emerging education technology be adapted to education markets in Countries in emerging or still in conflict situations?”

Respondent, Africa

Although returning a small sample size, Africa respondents indicate substantial improvement in conditions are expected for the next six months.



3. Growth

What is the top opportunity for growth at your organization?

Respondents were asked to identify the top opportunity for growth for their organization from a defined list.

- Operational Improvement
- Growth in Existing Markets
- Growth into New Market Segments
- Expanded and/or New Offerings
- Shift to New Technologies

“Asia zooming ahead. US & Australia positive and growing. Africa huge opportunity less traction. Europe dismal laggard.”

Respondent, Europe

Regionally, Africa and LATAM identified in their existing markets as the key opportunity, which is not surprising given the size and youth of these populations. As might be expected for developed markets, operational improvements feature as a key growth opportunity.

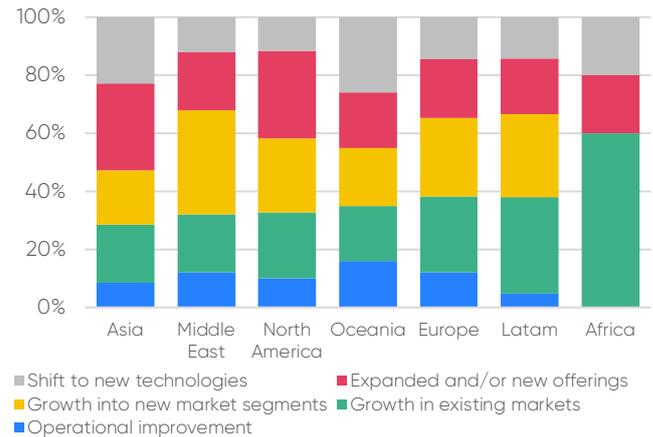
Asia and Oceania had largest focus on new technologies as top priority for growth, Asia one of lowest on operational improvements while Oceania had highest level operational improvement focus.

“Growth is still strong in Australia and Asia. Teacher supply will become an issue once all of the Asian K-12s open fully”.

Respondent, Oceania

Respondents from North America identified the highest growth opportunity from new products and lowest from new technology.

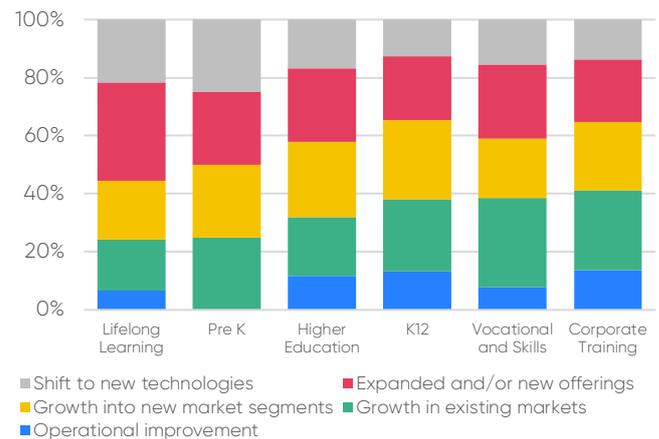
Top growth opportunities, by region



Pre-K and Lifelong Learning stand out with the largest level of expected growth from new technologies and new offerings in the lifelong learning space.

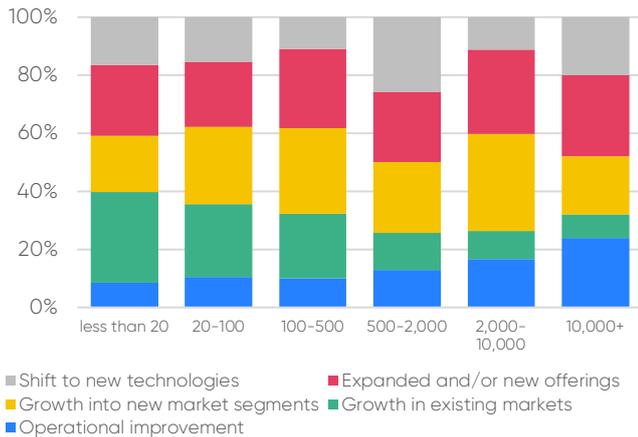
Higher Ed and K12 showed similar growth profile expectations with corporate training and vocational sectors expecting key growth from existing markets.

Top sector growth priorities



The larger the organization, the more respondents are focused on operational improvement. However, the inverse applies for growth in existing markets where the smaller the organization the more this appears as the top growth priority.

Top organizational growth priorities



Mid-sized organizations are the most likely to be focused on shifting to new technologies as their top priority for growth.

“We are actually seeing that AI is no longer a fancy bandwagon term and that it is substantially disrupting the marketplace”.

Respondent, North America

4. Demand

How, if at all, do you expect your organization's enrolments/customer demand to change in the next six months?

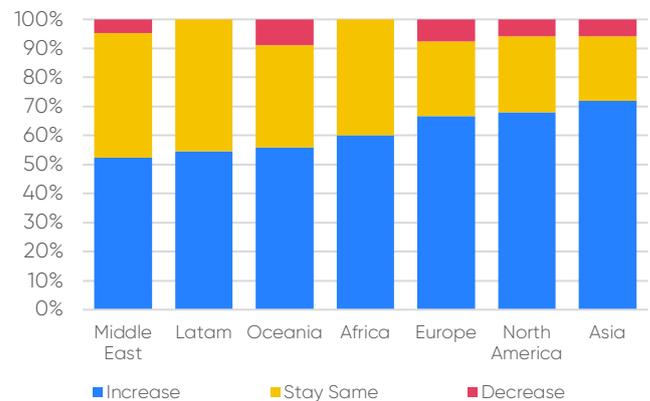
Europe and North America have similar growth estimate profiles, with approx. 65% of respondents expecting growth and 6% expecting a decline in demand.

“The market is dynamic but highly fragmented. I expect leaders will emerge and consolidation will occur in the next 1-3 years”.

Respondent, Oceania

Perhaps unsurprisingly, Asia is expecting the highest level of growth, 70% of respondents in total, whilst 7% in Asia still expect a decline in growth.

Regional expectations of demand changes

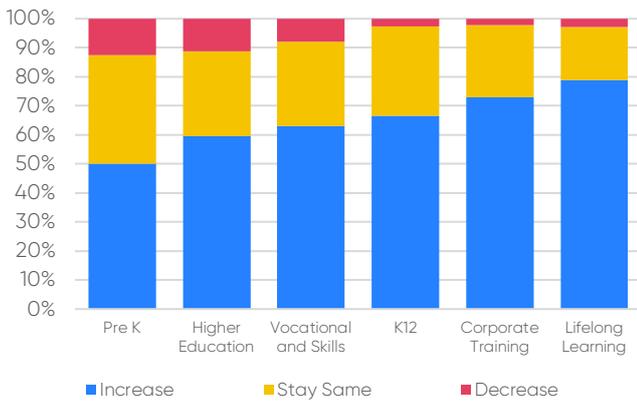


60% of Africa respondents are expecting growth with no respondents expecting a decline. Similarly, respondents from LATAM expect growth or stable demand in the next six months, with no declines anticipated.

“Ongoing significant disruption across the world of work is creating new opportunities in the vocational and skills-based education markets”.

Respondent, Europe

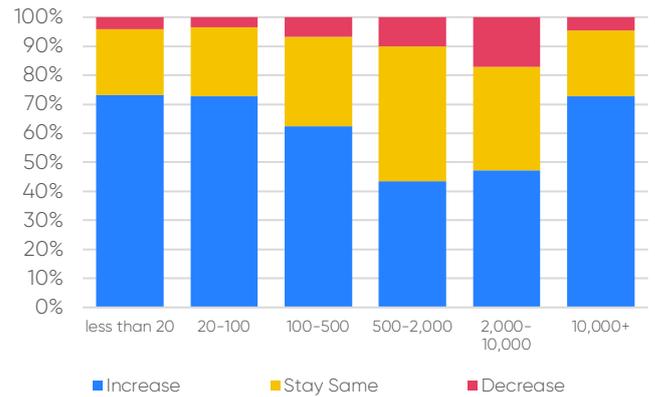
Sector expectations of demand changes



Pre-K expects the lowest level of growth in demand with corporate training and lifelong learning expecting the highest levels, supporting the view that adult upskilling will continue to grow. Similarly, 60% of Higher Education and Vocational respondents expect demand growth with approximately 10% of both expecting a decrease in demand.

The majority of organizations under 500 employees are expecting an increase in customer/learner demand, however this falls to 40-45% for organizations between 500 and 10,000 employees until rising again to above 70% of organizations with greater than 10,000 employees.

Organization expectations of demand changes



5. Workforce

How do you expect the size of your organization's workforce to change, if at all, in the next six months?

Asia and Africa have the highest expectations of increases in workforce size. North America, Europe and Oceania, all advanced economies, are also large recipients of international students and driving innovation through technology. More than half of each expect an increase their workforces, with only 4-8% expecting workforce decreases.

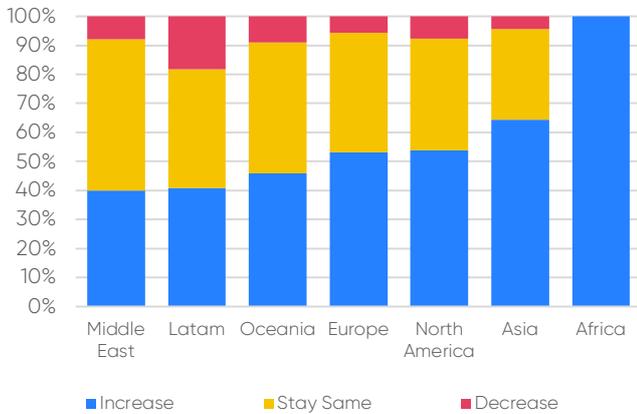
“Organizations are waking up (or being woken up) to the fundamental shift from employee as worker to employee as learner – especially in the services market, though this applies to all markets”.

Respondent North America

Less than half of Middle East and Latam respondents expect workforce growth with only Latam reporting a material expectation for decreases, at nearly 20%. Consistent with projections of sector growth, Africa shows a general increase in the estimated workforce size.

Generally speaking, smaller organizations are expecting growth in their workforce, declining by the time organizations are in the thousands of employees. Interestingly, nearly 50% of the few organizations that above 10,000 employees are expecting growth in workforce.

Regional expectations in workforce changes

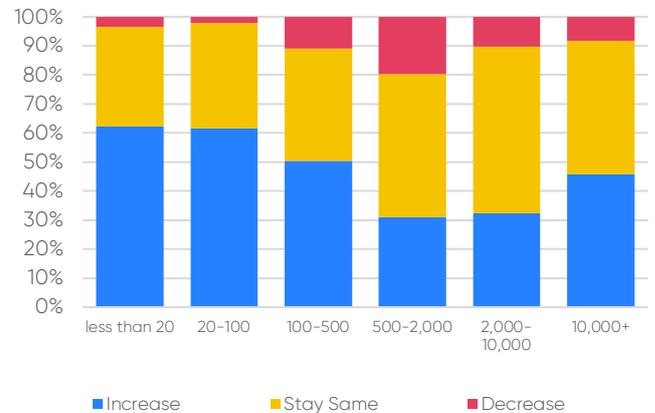


“Ongoing significant disruption across the world of work is creating significant new opportunities in the vocational and skills-based education markets”.

Respondent, Europe

Sector differences are not as pronounced as regional differences, with Higher Education expecting the largest decrease (nearly 10% of respondents) and lowest increase (46% of respondents) in workforce growth.

Organization expectations in workforce changes



More than half of those in Corporate Training, Vocational, Lifelong Learning and Pre K sectors expect to see an increase in their workforce size.

Sector expectations in workforce changes

