Prototype.

3 Scenarios for Higher Education.

HolonIQ Global Higher Education Network

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HolonIQ is the world’s trusted global source of education market intelligence, connecting the people, ideas and capital that are driving and supporting innovation in education.

→ We support governments, institutions, firms and investors around the world.

→ We build and publish open-source frameworks to support education innovation.

→ Our customers all over the world rely on our insights and data to power decisions that matter.
Agenda

01 Open-Source Framework
02 About Scenarios
03 Education in 2030
04 Factors and Drivers
05 3 Scenarios for HE
06 Next Steps
Which area has the greatest digital capability gap?

1. Demand & Discovery
2. Learning Design
3. Learner Experience
4. Work & Lifelong Learning
Diagnosis and Action. The Open-Source Framework identifies key digital capabilities required across the whole student lifecycle. The 70+ capability blocks can be used for internal and external benchmarking and ultimately to guide strategic buy, build or partner decisions.

Tools to support capability building and decision making

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Open Source HEDC Framework

Individual Self Assessment
Self-assessment against 16 Core Domains

Institutional Self Assessment
Cross functional assessment for whole institution view

Priorities & Direction
Inform & guide discussions on digital transformation

Strategic decisions & digital choices
Buy | Build | Partner
People | Process | Tech
Join the Q2 Benchmarking Cohort

→ Q2 Digital Capability Benchmarking now open

→ Self Assessment Diagnostic

→ Cohort Benchmarking Report for participants
About Scenarios
Scenarios represent snapshots of a range of possible futures. They paint a picture of ‘what could be’ with enough depth to be plausible, but not too precise.

Each scenario represents the different ways in which key drivers might develop and interact, and so they are not meant to be compared to each other. However, there are common aspects, implied in all scenarios, which help to explain underlying thinking that supported their construct.

**Scenario Characteristics**

→ **Plausibility**: Scenarios fall within the limits of what might conceivably happen.

→ **Differentiation**: Scenarios are structurally different, rather than variations of a base case.

→ **Consistency**: Scenarios are internally consistent.

→ **Decision-making utility**: Each scenario, and all scenarios as a set, will contribute specific insights for future decision-making.

→ **Challenge**: Scenarios include ones that challenge conventional wisdom about the future.
Methodology. HolonIQ follows a three-step, highly iterative scenario building process. Firstly, identifying ‘top-down’ factors, contain and informed the development of ‘bottom-up’ drivers or ‘uncertainties. Finally, the drivers are evaluated on both potential impact and level of uncertainty to formulate scenarios.
Education in 2030
Top-Down Methodology

The first stage of Project 2030 was to consult data, research and insight from expert sources such as the World Bank, OECD, UNESCO and other globally focused research institutions to draw out key drivers, the combination of which are likely to influence the nature of education and learning in the future. Based on this analysis, four key drivers were identified as follows.

→ **Globalization and Economic Growth.** Emerging markets will continue to be the growth engine of the global economy. As these emerging countries develop their institutions, fostering social stability and strengthening their macroeconomic fundamentals, they will become more appealing places to work and live, further attracting investment and talent.

→ **Global Population Growth.** Every day the world’s population increases by approximately 200,000 people. We will likely add another 1 billion people by 2030 putting enormous pressure on education to scale effectively and sustainability.

→ **Future of Work and Skills.** There is great uncertainty about the future of work, the impact of automation and the most effective and efficient ways for society to develop human capital ahead of these impacts.

→ **Advancements in Technology.** Artificial intelligence, machine learning and distributed ledger technology represent both threats and opportunities to advancing human potential. The impact of these technologies will fundamentally re-shape major aspects of the education system we know today and perhaps even the way learning occurs.
In these scenarios, the extent of change to K–12, Post–Secondary and the Jobs / Skills Training sectors were been measured on two dimensions.

→ **Industry Structure** refers to the way in which the sector is organized, how institutions or businesses compete, and the underlying business models that dominate the sector.

→ **Learning Models** refer to the way in which education and learning is delivered or undertaken.

→ Measurement provides guidance on the overall extent of change considered in the scenario, without being too prescriptive.

### MEASURING CHANGE

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Bottom-Up. Measuring Scenarios

→ **Balance of Power.** Who or what ‘calls the shots’ at each level of education and learning are key factors in the way the industry operates and how learning occurs. Government or market forces, for example, are a key dynamic in education supply and demand. Some scenarios might identify a highly globalized education market, where another describes focus on local or national priorities.

→ **Economics of Education.** The cost of education, the way it is funded and who pays each have a profound impact on the overall market structure of education and in particular who has access to, and benefits from education. Each of the four elements in this measure illustrate key economic elements present in each scenario.

→ **Learning Model.** There are many ways in which learning can occur, from tacit everyday learning through to highly structured formal education, on-campus to online or self managed to expert led models. Each of the five scenarios identify overall trends in the ways in which learning occurs.

→ **Role of Technology.** Technology now plays a critical role in the education industry as well as in many learning processes. This set of measures identifies the extent to which technology leads learning processes or is used as a supplement, is focused on information processing or decision-making in learning, the role of technology in learner experiences and the levels of data openness exhibited in each scenario.
Traditional education institutions remain the trusted source of learning and the most effective vehicle for jobs and prosperity. Higher Education consolidates, global talent platforms emerge and government remains the core source of funding around the world.

Regional alliances dominate the competitive education landscape, supported by strategic and political cooperation. Cooperative blended delivery and regional talent hubs cross-load labor supply and demand to strengthen regions.

This global free market environment has fostered the emergence of ‘mega-organisations’ with ubiquitous brand recognition and the scale to achieve significant efficiencies and industry power.

Learning online through rich, personalized human to human experiences dominates the post-secondary and skills training sectors. Blockchain technology fundamentally reconfigures credentialing and unlocks the collective creativity and IP of teachers.

AI drives a complete reversal in ‘who leads learning’, with virtual tutors and mentors structuring learning paths, providing assessment tasks, giving feedback, adjusting according to progress and organizing human tutoring when needed.
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Education-as-Usual Preference Estimates

**#1. EDUCATION AS USUAL**

- Australia: 10%
- China: 10%
- Israel: 12%
- France: 15%
- Germany: 19%
- Russia: 23%
- UK: 15%
- USA: 19%

**#2. REGIONAL RISING**

- Australia: 10%
- China: 21%
- Israel: 12%
- France: 12%
- Germany: 15%
- Russia: 12%
- UK: 12%
- USA: 12%

**#3. GLOBAL GIANTS**

- Australia: 40%
- China: 21%
- Israel: 41%
- France: 55%
- Germany: 36%
- Russia: 32%
- UK: 50%
- USA: 34%

**#4. PEER TO PEER**

- Australia: 38%
- China: 45%
- Israel: 33%
- France: 15%
- Germany: 29%
- Russia: 22%
- UK: 23%
- USA: 29%

**#5. ROBO REVOLUTION**

- Australia: 38%
- China: 45%
- Israel: 33%
- France: 15%
- Germany: 29%
- Russia: 22%
- UK: 23%
- USA: 29%

Source: HolonIQ as at 1 November 2018
Preference for Education-as-Usual
Percentage of total respondents in each role who prefer Education-as-Usual over the other four scenarios.

- Entrepreneur: 1%
- Services: 5%
- Investor: 8%
- Education Leader: 9%
- Teacher: 14%

Estimated Probability for 2030
Average weighted estimated probability that Education-as-Usual will be the outcome in 2030.

- Investor: 44%
- Teacher: 49%
- Services: 50%
- Education Leader: 52%
- Entrepreneur: 53%

Source: HolonIQ as at 1 November 2018
Preference for Education-as-Usual

Source: HolonIQ as at 1 November 2018  ∅ 7%
3 Scenarios for Higher Education
What’s happened to the four factors since 2030 project

Global Economics  
Population  
Future of Work  
Advanced Tech
Scenario #1: Education State

- Universities receive state sponsored mandate to takeover vocational and community upskilling in addition to HE role. Cross border mobility slows.
- Qualification frameworks incorporate 150 hour + Micro Credentials but local qualifications are prioritized (protection).
- Income Contingent Loans and/or State Funded Credits. Technology plays a supporting B2B role, B2C slides backwards. PPPs rise.

Scenario #2: Practicum Pivot

- Universities are split to retain research role and handover the upskilling role to vocational and community college systems. Aggressive investment follows.
- Micro 3-month up to 2-year competency-based credentials dominate. 3 to 4 year degrees rapidly diminish. Multi year full time campus-based study is rare.
- Experiential apprenticeship programs reform the hiring process. Industry associations power curriculum.

Scenario #3: Learning Market

- Consumer regulated, Public meets Private ‘Free Market’ with incentives geared to effective job performance and labor market outcomes.
- Consumers as regulators are agnostic to public/private, everyone competes head-to-head. Policy and funding focuses on productivity and output.
- Income Sharing Agreements are the dominant funding source. Prices vary to fit the earnings outcome/uplift programs deliver.
1. Learning State

→ Governments focus on economic recovery post–COVID, with their own economies taking priority. Universities and accredited institutions are given the mandate to deliver outcomes across the whole post-secondary landscape.

→ Higher Education is fully government funded. Private and public institutions receive funding / HE credits are provided directly to students. Everyone can attend college and it becomes the norm. The education financing industry collapses.

→ Funding model lever. Funding allocation is closely tied to labor market needs, with higher funding for areas in demand and differential funding for program length and work–learning integrated programs.

→ Higher education institutions evolve, delivering in a variety of modes, lengths and levels with micro-credentials embedded within qualifications frameworks and funded accordingly.

→ The private training market deflates as workers upskill and reskill at accredited institutions using HE credits. International education slows, however bi-lateral and multi-lateral arrangements are put in place between trade partners/blocs.

→ Business Models. B2C is less viable, with these players pivoting to B2B to service significant demand from institutions. Public–Private–Partnerships thrive as universities work with technology companies, digital content and other providers to build an ecosystem of services and solutions.
2. Practicum Pivot

→ **The post-secondary market bifurcates.** Universities revert to focus on academic and scientific research, ceasing their involvement in education for the professions. Universities become more closely aligned with industrial research. Education at universities is limited to research degrees with < 10% of the population attending university.

→ **The vocational sector expands,** becoming a sought-after vehicle for higher learning and career outcomes. In this scenario, many universities, community colleges and vocational institutes morph into Institutes of Higher Learning.

→ **Unencumbered by research targets and rankings,** Institutes of Higher Learning focus on programs designed to produce job-ready graduates, taking over vocational and professional education, servicing some ≈ 70% of the population.

→ **2-year degrees and competency-based learning dominates.** Strong industry partnerships see work-and-learn programs, the revitalization of apprenticeship and cadetship models. Multi-year full time campus-based study is rare as most learning now occurs in the context of work and competency blocks drive an integrated micro to macro curriculum.

→ **The focus of policy and funding** takes a practical approach to productivity and output. Inputs that cannot be measured and quantified are less valued.
3. Learning Market

→ With the backdrop of global hyper-competition and technology advancement, governments de-regulate post secondary education and turn to the market to drive innovation and outcomes.

→ **Learners are agnostic** to public or private, local or global with all provider types competing in an open market. Education and training becomes a globally competitive market with credentials of all sizes available and fit for purpose.

→ **Vast efficiencies and cost reductions** brought on by technology have eased the financial burden of education, with Income Sharing Agreements the dominant funding source. Prices vary to fit the earnings outcome/uplift delivered.

→ **Social acceptance of flexible building blocks** for learning gains traction following employer endorsement and social recognition focuses on learning achieved rather than provider brand.

→ **Companies play a much greater role** in education and see their efforts in this domain as a talent attraction and retention mechanism, with clear links to economic and social impact.

→ **Education regulatory** bodies play an ombudsman-like role only.

→ **Stacked micro-credentials** are the norm and platforms to track and verify education outcomes, skills and experience are aligned to national, regional and global skills frameworks.
Join the Global Higher Education Network

Network participants are experienced higher education professionals engaged in strategy, innovation, academic leadership, technology and digital roles in institutions spanning more than 80 countries.

• Receive regular update to your inbox. Regular updates and insights on digital transformation in Higher Education.

• Invitations to join HolonIQ events. Global summits and webinar sessions throughout the year to hear from experts and explore case studies.

• Participate in Global Research. HolonIQ undertakes a range of projects to gather the experiences, insights and opinions of education leaders on a range of topics

www.holoniq.com/global-higher-education-network