

DIRECTORS' CONFERENCE 2021

14
16
april

New Models in the Executive Education
Industry: Demand and Supply

LEARNINGS FROM COVID: OPERATIONAL AND STRATEGIC CHOICES

Prof. Aldemir Drummond | 2021

An aerial photograph of a modern university campus. The campus features several large, multi-story buildings with a mix of grey and white facades. A prominent circular plaza with a central fountain is located in the middle of the campus. In the background, a large, calm lake stretches across the middle ground, with rolling hills and mountains under a blue sky with scattered white clouds. The overall scene is bright and clear.

ACTIVITIES

Group 1

LEARNINGS FROM COVID: OPERATIONAL AND STRATEGIC CHOICES

- **Go to the 4 slides that have your room number**
- **Choose a reporter for the group**
- **Please, for each of the questions, register the main insights of the group discussions**
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ROOM 1 – DEMAND

1. During the pandemic some of our clients are discovering that **many more people** in their organizations can benefit from executive education, as online or hybrid programs usually have a **lower price** than a presential one. They are also discovering that parts of the development of their executives can be done in an asynchronous format. That allows for **time and location convenience**.

How are you building your offering in order to take advantage of those opportunities / threats?

- Proportion of synchronous delivery in a program: if high (60%+), price is higher
- Asynchronous expected to be lower priced
- No price change if fully synchronous (cost efficiencies balanced by cost increases)
- Online delivery competency level of faculty and its development as an (internal) issue
- Technology facilitates transition
- Loss of human touch as an impediment
- Prerecorded videos as new products (micro modules), facilitated by a faculty in a 2 hr block
- Buying a book (asynchronous) vs meeting and discussing with the author (synchronous) the latter may be a way to stop/reduce pricing pressure
- Small groups being together at different locations simultaneously

ROOM 1 – DEMAND

2. At senior executive levels, some development needs are individualized.
How are companies dealing with that development challenge? How are you dealing with that development challenge?
 - Increased demand from clients for coaching at individual level (as stand alone demand or as a follow up after/during the program)
 - Using projects: 1 project per group including an individual activity and/or a 1-1 mentoring and reporting back
 - Demand for individual coaching
 - In open enrollment programs opportunity for individual network development which is an important asset
 - Clients leveraging technology themselves (curation for individuals)
 - Clients creating digital academies (talent retention tool) that are curated from different providers
 - Patching different components using some ready ones

ROOM 1 – SUPPLY

3. New competitors, some of them coming from other industries, are arriving at the executive education industry with different offerings (e.g.: LinkedIn Learning, Coursera, Emeritus, Section4, large consulting companies, boutique providers, etc). What is the impact of that competition on you current and prospect clients? Are you planning or doing any movement in relation to those new competitors?
- Clients leveraging technology themselves (curation for individuals)
 - Clients creating digital academies (talent retention tool) that are curated from different providers
 - Corporate academy design, building and development “consultancy” services (giving this service where the corporate academy may become a competitor with whom cooperation may be possible (coopetition))
 - Bus Sch contributing expertise in curricula and program design (university seen as the reference for educational pedagogies and program design and administration)
 - Relationships with aggregators: seen as a distribution channel for products (developed content)
 - We are great in content as a university, but are constrained on continuous funding to improve infrastructures to catch up with the aggregators
 - As exec ed Getting out of the “university system” as a spin off and be a business
 - Joining forces: It will be all about cooperations or ecosystems

ROOM 1 – ADDITIONAL COMMENTS

- X

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ACTIVITIES

Group 2

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ROOM 2 – DEMAND

1. In some industries, the impact of technological change is so important that this has become one of the main focus for executive development (understanding the impact, understanding new business models, leading the change).
How are you building your offering in order to take advantage of those opportunities / threats?
 - Technology playing increasingly significant role in EE programs... helping executives to accommodate tech changes in their industry. Even where programs are primarily finance, getting more and more content on technology (joint program w/MIT), trends in industries.
 - Customer-centricity using the online environment - they have to know how to use online tools, business models. Customer experience in center of model.
 - Companies dealing with tech changes on their own... fintechs... have been approaching for the soft skills - how to lead remote teams, business models, moderating discussions, how to help with this change in VUCA world. The biggest challenge for us: readiness of faculty to absorb these new things... still try to go back to classic ways of things. Bring practitioners as keynote speakers. Mohan: not all faculty teaching now relevant in 5 years.
 - People issues and technology issues go together.
 - Built a lot of programs on digital transformation... took a big part of portfolio. Topics on leading TF ... while using Zoom! Had culture of no online programs... people thought worse... More diversity in our discussions.

ROOM 2 – DEMAND

2. At senior executive levels, some development needs are **individualized**.

How are companies dealing with that development challenge? How are you dealing with that development challenge?

- Companies usually turn to coaching and mentors... and events. Assign a coach who does an assessment - and build an individualized learning journey for them... they are inside a classroom, but not part of cohort. Connected across several sessions, classrooms, cohort. Challenge-based.
- For individualized content - people not sure what asking for; providers not sure how to provide... and works against common language/experience.
- Degreed - AI-based tech platform... invite schools to build content for platform... a trend.
- Coaching and psychometric models - very significant elements of core programs. Different from programs designed around individuals.
- Where do coaches come from?
- Associate Faculty (external) - a group of very experienced people to draw on
- “Friends” basis, not a specific/formal mechanism
- Consortium-based model: multiple companies, but individualized for particular company level.
- More leadership demand - leadership of change specifically. - and part of individual development plan (understand/think/act fast, with quality)

ROOM 2 – SUPPLY

3. Some experts are envisioning a market stratification in three layers:
 - a) A small number of high price presential programs, delivered to groups of 30 to 50 executives;
 - b) A much larger number of hybrid programs, with price being 20% – 25% of the option 1, delivered to hundreds or low thousands of clients;
 - c) An even much larger number of asynchronous programs, with price being 0,5% of the option 1, delivered to thousands of clients.
- Do you agree with that scenario? How do you intend to position your offering of executive education considering that market stratification?
- Hybrid most challenging... we know how to do F2F, fully online... maybe a way to differentiate... how to do (b)
 - Mohan: How hybrid will look in 5 years time? Technology investment required and they are changing very fast.

ROOM 2 – ADDITIONAL COMMENTS

- X
 - FDC - went to Zoom... nondegree and degree...
 - Managing in the crisis... using online for SMEs... after that post-crisis. About 5,000 people went through programs - online. The challenge of networking in online scenario. Our customer satisfaction in online programs super-high. We are increaseinsg.

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ACTIVITIES

Group 3

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ROOM 3 – DEMAND

1. During the pandemic some of our clients are discovering that **many more people** in their organizations can benefit from executive education, as online or hybrid programs usually have a **lower price** than a presential one. They are also discovering that parts of the development of their executives can be done in an asynchronous format. That allows for **time and location convenience**. How are you building your offering in order to take advantage of those opportunities / threats?

- we are not seeing a change in fees because we are doing mainly synchronous and the design time to convert is high
- 1:1 coaching and an increase in peer learning set coaching
- clients expecting asynchronous will be cheaper but the design and development costs can be high
- 2x - 6x more in design time that we can't charge onto our clients

ROOM 3 – SUPPLY

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Do you agree with that scenario? How do you intend to position your offering of executive education considering that market stratification?

- a) is a shrinking market b) we are best placed to deliver B but this is blended not hybrid c) we are not best placed to deliver
- Blended = programme includes some face to face and some virtual delivery (including coaching)
- Hybrid = programme is with part of the cohort in classroom and part of the cohort virtual

ROOM 3 – DEMAND

3. Considering that, in a hybrid executive education program, some activities of a school's value chain are scalable, what are your main challenges to take this opportunity and increase your margins?
 - we have assumed blended in answering this question (see previous slide for definition)
 - reconfiguring the design of a programme to incorporate shorter full cohort activities and a lot more smaller group sessions (more touch points throughout the programme than before the pandemic)
 - Increasing our margin through value add and holding our price point
 - scalable element is the masterclass and everything else in the design is value add

ROOM 3 – ADDITIONAL COMMENTS

Still too soon to know what will happen, adapting all the time based on client feedback and travel restrictions

- Physical setting needs to be adapted (technology, building ventilation, break out areas etc.)

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ACTIVITIES

Group 4

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ROOM 4 – DEMAND

1. In some industries, the impact of technological change is so important that this has become one of the main focus for executive development (understanding the impact, understanding new business models, leading the change).
How are you building your offering in order to take advantage of those opportunities / threats?
 - Assisting with changing business models - how technology is impacting their business
 - Need to reinvent how we deliver our products and services - change our entire operating model in EE
 - Help support clients with data driven decision making
 - Partnering with businesses to provide fully customized solutions
 - Challenge of current speed of change
 - Leveraging local market - regionalizing content
 - Increase in consulting
 - Offered executive roundtables to provide just-in-time support

ROOM 4 – SUPPLY

2. Considering that, in a hybrid executive education program, some activities of a school's value chain are scalable, what are your main challenges to take this opportunity and increase your margins?
 - Challenge of engaging students in hybrid programs
 - Margins have shrunk due to increased overhead (e.g., additional technology support)
 - Took lessons from film industry and applied to EE - “reality TV” - problem focused learning with outside experts
 - Challenge of differentiating our offerings from significant competition
 - Built custom learning interface
 - Challenge of completely new skillset needed to deliver EE in new environment
 - Can't replicate entire in-person experience (being on campus, amazing food, etc.)
 - Competitive landscape has changed dramatically

ROOM 4 – SUPPLY

3. New competitors, some of them coming from other industries, are arriving at the executive education industry with different offerings (e.g.: LinkedIn Learning, Coursera, Emeritus, Section4, large consulting companies, boutique providers, etc). What is the impact of that competition on you current and prospect clients? Are you planning or doing any movement in relation to those new competitors?
- Increasing discipline to not answering “niche” requests - staying true to value proposition of “integrated / comprehensive / multidisciplinary learning solutions”
 - Business models are very different
 - Some of these competitors are also partners (e.g., Emeritus)
 - Custom provides more differentiation
 - Target higher level learner - executive level (vs. front-line/middle management)
 - Offering additional value - hightouch experience

ROOM 4 – ADDITIONAL COMMENTS

- x
 - Excited and nervous about future
 - Critical to work together as an industry to strengthen our position

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ACTIVITIES

Group 5

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ROOM 5 – DEMAND

1. During the pandemic some of our clients are discovering that **many more people** in their organizations can benefit from executive education, as online or hybrid programs usually have a **lower price** than a presential one. They are also discovering that parts of the development of their executives can be done in an asynchronous format. That allows for **time and location convenience**.

How are you building your offering in order to take advantage of those opportunities / threats?

- Usually either synchronous or asynchronous, previously either or, but now both and. Asynchronous focused on larger numbers, middle managers, whereas synchronous focused on senior executives.
- Partnering with other business schools to share costs of developing programmes with different geographies. Combine faculty members for a particular topic.
- Use Canvas or Moodle - but companies want more exciting tools on more interesting platforms
- Combine both online and synchronous learning with synchronous and oncampus
- More requests for working knowledge of technology, bringing from technology partners, e.g. IBM but also organisation/business related subjects
- Org behaviour focus, but specifically dealing with stressed teams under pressure.
- Shift conversation to degree of personalisation and away from scale. Clients still valuing in person experience for their people and willing to wait, others already engaged in digital happy to continue.
- Value proposition - need to really understand what differentiates us in marketplace.
- Cost of adapting and reusing content is significant, having to create new material for programmes, ongoing challenge. What companies would have to invest is insufficient for producing high quality content.

ROOM 5 – DEMAND

2. At senior executive levels, some development needs are **individualized**.
How are companies dealing with that development challenge? How are you dealing with that development challenge?
 - Need to shift conversations away from HR training mentality to business-led, capability building approach

ROOM 5 – SUPPLY

3. New competitors, some of them coming from other industries, are arriving at the executive education industry with different offerings (e.g.: LinkedIn Learning, Coursera, Emeritus, Section4, large consulting companies, boutique providers, etc). What is the impact of that competition on you current and prospect clients? Are you planning or doing any movement in relation to those new competitors?
- Competitors benefit from speed to market, have more resources
 - Brand name and faculty reputation is important, might undervalue our brand. Landscape has changed, individuals just want to get course, regardless of brand.
 - Competitors have different positioning - some want to work with business schools, others against them.
 - Schools offering additional services, including mentoring, projects, coaching and labs. Clients bring own problems, solve them through the lab.
 - Schools bring research as unique value proposition, credibility of understanding local context, differentiates Schools from other competitors, such as consulting firms.
 - Consulting firms have resources, but not faculty, research, operations, controlled partnerships

ROOM 5 – ADDITIONAL COMMENTS

- X

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ACTIVITIES

Group 6

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ROOM 6 – DEMAND

1. In some industries, the impact of technological change is so important that this has become one of the main focus for executive development (understanding the impact, understanding new business models, leading the change).
How are you building your offering in order to take advantage of those opportunities / threats?
 - We have demand from senior level leaders (C suite, VP, business leaders) on digital transformation - understanding disruption in their industries, developing a digital strategy, leading change within their organizations to focus on new strategic priorities
 - Functional skills + leadership level “training” all in one
 - Skills like developing new business models and working in partnership with suppliers and new competitors are more important now.
 - 3rd party providers are altering price points, access and marketing efforts - but might they lack networking components?
 - Changing the organization culture to be more agile, innovative and open do systemic changes

ROOM 6 – DEMAND

2. At senior executive levels, some development needs are individualized.
How are companies dealing with that development challenge? How are you dealing with that development challenge?
 - Career focus and network development for the individual
 - We are being more demanded for small group needs and/or individualized developments. We have specific solutions for these type of demands and it is common that we integrate these individual developments into a complete solution to the company.
 - Career focus: solution that includes assessments, learning resources (courses, content, self directed learning) - includes a mentor to understand client needs, individual competencies that need development
 - Not necessarily a program, more of a development process
 - Duration of aprox. 6-8 months
 - Scalability

ROOM 6 – SUPPLY

3. Some experts are envisioning a market stratification in three layers:
 - a) A small number of high price presential programs, delivered to groups of 30 to 50 executives;
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Do you agree with that scenario? How do you intend to position your offering of executive education considering that market stratification?

- We will have offerings in all levels of the stratification proposed by Prof. Mohan Sawhney. But we will start to be more active on the middle level, the Small Private Online (hybrid) Courses, combining asynchronous contents with synchronous or face to face meetings and where we can take advantage of a pool of asynchronous programs.
- Leveraging digital assets in multiple ways to make it more regionally focused for known clients and in person programming

ROOM 6 – ADDITIONAL COMMENTS

- X

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ACTIVITIES

Group 7

LEARNINGS FROM COVID: OPERATIONAL AND STRATEGIC CHOICES

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ROOM 7 – DEMAND

1. During the pandemic some of our clients are discovering that **many more people** in their organizations can benefit from executive education, as online or hybrid programs usually have a **lower price** than a presential one. They are also discovering that parts of the development of their executives can be done in an asynchronous format. That allows for **time and location convenience**.
How are you building your offering in order to take advantage of those opportunities / threats?
 - Partnering with OPMs for asynch courses
 - Developing in-house asynch capabilities (starting to “make” not just “buy”)
 - Developing shorter course offerings
 - Industry wants more from schools and want teams to be able to give back
 - Partnering with government and local authorities to buy seats to offer to the public; was done for pandemic, but why not keep going
 - For some schools, pricing is still value-based, not cost-based for asynch courses, so not that much lower than in person
 - Some schools have lower priced, even free, asynch courses
 - Experiment with new courses using lower than normal prices

ROOM 7 – SUPPLY

2. Some experts are envisioning a market stratification in three layers:

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Do you agree with that scenario? How do you intend to position your offering of executive education considering that market stratification?

- These layers make sense, but (a) may not be *that* small. All generations will still value in person experiences and networking
- As a University, will likely have all 3 layers, but Exec Ed itself does not need to offer all 3 layers (we are not MOOCs)
- Likely more online executive degree courses and certificate programs
- People no longer see online degrees and certs as a “cheaper” or less valuable experience and credential (one benefit of the pandemic!)
- ALL programs might have some online component in the future, even senior exec courses
- More hybrid options
- Online is not a bug but a feature -- allows people flexibility, options, don't need to travel and be away as long
- Real learning design integrating online and live or in-person
- Some schools have invested \$\$\$ in infrastructure
- Classrooms upgraded to manage classes with both in-person and online participants
- We can't all be everything; need to be mindful of where we want to be, what is best position
- Need to be mindful of why companies will come to universities and exec ed vs consulting and other competitive offerings
- Exec Ed is selling EXPERIENCES not just content/education
- We need pay more attention to the experience and create the space
- Lots of value in partnerships among schools; will be a differentiating factor (e.g., physical experience in different places)
- Lots of opportunities in this new, stratified market

ROOM 7 – SUPPLY

3. Considering that, in a hybrid executive education program, some activities of a school's value chain are scalable, what are your main challenges to take this opportunity and increase your margins?
 - Exed Ed offices do not have a lot of asynch capabilities -- video filming, editing, online learning design, etc.
 - Do not have large in-house marketing teams to handle digital marketing at scale
 - More demand for customization -- how to balance with school
 - Lack of competency on faculty side, need to partner them with learning designers

ROOM 7 – ADDITIONAL COMMENTS

- X

An aerial photograph of a university campus. In the foreground, there are several large, modern, multi-story buildings with light-colored facades and dark window frames. A central courtyard features a circular paved area with a small fountain. To the right, a road with a median and some trees runs alongside the campus. In the middle ground, a large, calm blue lake stretches across the scene. The background consists of rolling green hills under a blue sky with scattered white clouds. The entire image is overlaid with a dark, semi-transparent filter.

ACTIVITIES

Group 8

LEARNINGS FROM COVID: OPERATIONAL AND STRATEGIC CHOICES

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ROOM 8 – DEMAND

1. In some industries, the impact of technological change is so important that this has become one of the main focus for executive development (understanding the impact, understanding new business models, leading the change).
How are you building your offering in order to take advantage of those opportunities / threats?
 - Opportunities for “Digital Readiness”, “Digital Literacy” and “Digital Savvy” are ripe at all levels. This content is important for both individuals and teams. Also important is what are the new ways of working that fuel digital transformation (interdisciplinary, high performing teams/agile, etc).
 - For these programs to be impactful there should be an application/highly engaging component to the learning design. Innovation labs, applied projects, using tech like AR/VR.
 - Awareness > Fluency > Application > Creator

ROOM 8 – SUPPLY

2. Considering that, in a hybrid executive education program, some activities of a school's value chain are scalable, what are your main challenges to take this opportunity and increase your margins?

ROOM 8 – SUPPLY

3. New competitors, some of them coming from other industries, are arriving at the executive education industry with different offerings (e.g.: LinkedIn Learning, Coursera, Emeritus, Section4, large consulting companies, boutique providers, etc). What is the impact of that competition on you current and prospect clients? Are you planning or doing any movement in relation to those new competitors?

ROOM 8 – ADDITIONAL COMMENTS

- X

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ACTIVITIES

Group 9

LEARNINGS FROM COVID: OPERATIONAL AND STRATEGIC CHOICES

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ROOM 9 – DEMAND

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How are you building your offering in order to take advantage of those opportunities / threats?
 - All of the above. Split 1 longer session into shorter segments. Can use to align with time zones, might repeat a session.
 - Flip the classroom model has been effective with asynchronous/synchronous content
 - Maintain human connection while still scaling
 - How do we scale through become a broadcasting, streaming, content creator
 - How do we reinforce our brand proposition with new offerings?

ROOM 9 – DEMAND

2. At senior executive levels, some development needs are **individualized**.

How are companies dealing with that development challenge? How are you dealing with that development challenge?

- Elective models in online content and synchronous content for group cohort effect
- Give people choice about “Choose your own adventure” while keeping group connection
- How do we create a personalized, lifelong learning experience that is individualized?
- For our alums they also have a vested interest in protecting our brands so they could help

ROOM 9 – SUPPLY

3. New competitors, some of them coming from other industries, are arriving at the executive education industry with different offerings (e.g.: LinkedIn Learning, Coursera, Emeritus, Section4, large consulting companies, boutique providers, etc). What is the impact of that competition on you current and prospect clients? Are you planning or doing any movement in relation to those new competitors?
- “New billboard heading into Boston market for Rise.com, had never heard of them”
 - What is our core value proposition to protect and keep?
 - Emergence of competitors that are also partners - Korn Ferry
 - Superstar faculty also forming their own firms - Scott Galloway
 - Aggregators - PWC, KPMG working as key partners
 - Google - data analytics
 - How could we collaborate with competitive threats?
 - Digital Badging leveraging our brands
 - “Are we on the Board of Directors at Blockbuster video before Netflix destroyed them?”

ROOM 9 – ADDITIONAL COMMENTS

- X

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ACTIVITIES

Group 10

LEARNINGS FROM COVID: OPERATIONAL AND STRATEGIC CHOICES

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ROOM 10 – DEMAND

1. In some industries, the impact of technological change is so important that this has become one of the main focus for executive development (understanding the impact, understanding new business models, leading the change).
How are you building your offering in order to take advantage of those opportunities / threats?
 - Mix of Synchronous and asynchronous
 - Fast pace to adapt to change: new topics
 - Ensure consistency across (Synchronous and asynchronous)
 - Flipped classroom: end of lecture piece (now content is pre-work) focus synchronous in discussion
 - Work with technology department in the school or find partners to cover Topical Technical areas
 - Technology used by Business schools: need to be more innovative.
 - Technology to create stickiness (AI : career counselling system to assess where they are in their career and what next they need)
 - Involve media designers (TV professionals) – own production studio investment

ROOM 10 – DEMAND

2. At senior executive levels, some development needs are **individualized**.

How are companies dealing with that development challenge? How are you dealing with that development challenge?

- Coaching important instrument (online growing) = to formulate their needs
- Both Business and Personal Development coach
- Growing need of « consultative » model from faculty
- Develop Communities/ clubs= platform of exchange especially at CEO/ very Senior Level
- Communities portal
- Create hub : « watercooler » space to meet up (exemple womens programme alumni platform – meeting/exchange hub)
- Technology stickiness (canvas, etc)
- Small entrepreneurial companies/SME's: bottom of the pyramid for sustainable impact

ROOM 10 – SUPPLY

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Do you agree with that scenario? How do you intend to position your offering of executive education considering that market stratification?

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- Both Business and Personal Development coach
- Growing need of « consultative » model from faculty
- Develop Communities/ clubs= platform of exchange especially at CEO/ very Senior Level
- Communities portal
- Create hub : « watercooler » space to meet up (exemple womens programme alumni platform – meeting/exchange hub)
- Technology stickiness (canvas, etc)
- Small entrepreneurial companies/SME's: bottom of the pyramid for sustainable impact

ROOM 10 – ADDITIONAL COMMENTS

- Survival of Business schools (competition fierce)
- Use competitive edge (facilities)
- New generation want something different (work with teenagers to learn from them)=snapchat, Mashme, etc
- Partnerships: building ecosystem, long terms and highly integrated commitment between business schools and other partners will be key
- Remember what is core “work with people and tutor people”

An aerial photograph of a modern university campus. The campus features several large, multi-story buildings with a mix of grey and white facades. A central courtyard with a circular fountain is visible. In the background, a large, calm lake stretches across the middle ground, with rolling hills and mountains under a blue sky with scattered white clouds. The overall scene is bright and clear.

ACTIVITIES

Group 11

LEARNINGS FROM COVID: OPERATIONAL AND STRATEGIC CHOICES

- **Go to the 4 slides that have your room number**
- **Choose a reporter for the group**
- **Please, for each of the questions, register the main insights of the group discussions**
- **There is also a slide for additional comments**

ROOM 11 – DEMAND

1. During the pandemic some of our clients are discovering that **many more people** in their organizations can benefit from executive education, as online or hybrid programs usually have a **lower price** than a presential one. They are also discovering that parts of the development of their executives can be done in an asynchronous format. That allows for **time and location convenience**.

How are you building your offering in order to take advantage of those opportunities / threats?

- Still constraints on time, more time sometimes required for online presentation
- Pricing can be challenging since cost and effort still the same regardless of modality
- Mistake to assume lower pricing; the value is from the content delivered, may dilute value if lower price substantially
- Some programs reducing price somewhat to address the reduced cost of the in-person experience; however teaching and faculty costs remain the same if not more, since we need to invest in mastering the format
- Asynchronous content demand hasn't grown substantially, more demand from synchronous or blended journeys
- Growing reliance on hybrid models, particularly for custom programs; this is the most difficult program type to deliver (managing both the physical classroom and the online experience); need to train faculty for this type of delivery
- Downscaling campus size in Jo'burg to accommodate more of a focus on online vs. in-person
- More emphasis on blended (mix of in-person for some modules and synchronous and asynchronous modules) - this may happen more on the custom side
- We are not sure that there will be a full return to in-person, or a full shift to online or hybrid models. Somewhere in between, hard to predict and know

ROOM 11 – SUPPLY

2. Some experts are envisioning a market stratification in three layers:

- a) A small number of high price presential programs, delivered to groups of 30 to 50 executives;
- b) A much larger number of hybrid programs, with price being 20% – 25% of the option 1, delivered to hundreds or low thousands of clients;
- c) An even much larger number of asynchronous programs, with price being 0,5% of the option 1, delivered to thousands of clients.

Do you agree with that scenario? How do you intend to position your offering of executive education considering that market stratification?

- Price is based on value not cost; requirements for engagement/interaction, so b may not be an option
- Google Campus is offering essentially layer c, we offer a more premium product
- university-based exec ed generally will mostly do a, maybe a bit of b
- Brand, capabilities, and value we can provide would make it difficult for most of our centers to do all three well
- Scope for option c in partnering with OPMs
- Portfolio will continue to/need to evolve (mix of a, or a/b, or a/c)
- Limited supply of faculty who are pulled in various directions

ROOM 11 – SUPPLY

3. Considering that, in a hybrid executive education program, some activities of a school's value chain are scalable, what are your main challenges to take this opportunity and increase your margins?
- Hybrid allows for us to access new markets (francophone markets)
 - Can have more people in class across the world but constraints around staffing, managing assessments, etc.
 - Where does value to the participants start to erode when adding more people
 - Other experiences (company visits, etc.) are difficult to deploy
 - Delivery across time zones is difficult
 - OPMs provide opportunities for engagement without needing faculty time (tutors, etc.)
 - Replicating programs in various regions for custom clients

ROOM 11 – ADDITIONAL COMMENTS

- Legal/GDPR/Tax issues make online delivery in other countries challenging (u.s. government contracts also make this challenging)



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