Motivation for Approach

The initial and recurring cost of supporting technology-mediated learning is substantial, whether the aim is enhanced instruction in on-campus courses or the development of programs for a host of other constituencies. Whether the goal is to develop continuing education programs for professionals or general education activities for millions of bird-watching enthusiasts, Michael Goldstein observed that

“The cost of producing and delivering high-quality courseware is not only substantially greater than that of face-to-face instruction, it is also constantly recurring. Like the production of a West End play, it requires capital.”

While acknowledging that the production of Internet based programs is expensive, John Chambers of Cisco Systems noted that

“The next big killer application for the Internet is going to be education... what will drive it will be the demands on companies, in an intensely global economy, to keep increasing productivity.”

Taken together these two observations reflect the primary motivations for developing the proposal outlined in this report. The four key aspects of this proposal are:

1. The formation of e-Cornell, a for-profit company for the support of Cornell’s distance learning activities;
2. An approach for enhancing on-campus technology-based instructional activities; and
3. The strategy that has been used to develop a list of initial projects and potential partnerships for e-Cornell. (This list is expanding as new ideas and potential projects are proposed by colleges and other entities at Cornell.)

These aspects are described in order in the following sections.

1 A Capital Innovation for Making a Profit, by Michael B. Goldstein, London Times (Educational Supplement), Dec. 17th, 1999. Goldstein is a member of the Washington DC law firm of Dow, Lohnes and Albertson, pllc. He heads the firm’s educational institutions practice.
It is proposed to establish a legally separate, but Cornell University controlled, for-profit corporation to pursue distance learning activities. *E-Cornell* will be given the “right of first refusal” with regard to the development of ideas and activities using the Cornell name that have commercial potential and appeal to external constituencies and customers. The two vice provosts will work with the Cornell deans, program directors, and heads of other units to refer promising ideas and activities to *e-Cornell*. In addition, Cornell Information Technologies (CIT), which will continue to have the responsibility for providing support for technology-based instructional activities that enhance learning of Cornell students, will refer promising ideas to *e-Cornell*. A formal agreement between the university and *e-Cornell* will address this and other key issues including use of the University’s name and marks and other licensing issues, and parameters of University oversight and approval (academic standards for admission of students to particular programs, faculty oversight of academic content, etc.).

The reasons for creating a for-profit entity are to promote the following opportunities:

- operate in a complex and dynamic market environment;
- generate significant revenues that can be used by deans and directors for faculty compensation, support of faculty lines, and the myriad other needs of the various colleges, programs, and laboratories;
- attract the capital needed to launch new programs;
- partner with third-parties and commercial partners where there is a need for capital and greater name recognition in the market place;
- partner with other universities and entities that may want to sell their content through *e-Cornell* (e.g. *e-Cornell* would be a third party vendor or commercial partner for other universities);
- provide opportunities for transfer of technological advances and instructional courseware developed by *e-Cornell* to Cornell with the goal of enhancing not-for-profit instruction by Cornell faculty for Cornell students; and
- provide an opportunity for Cornell to benefit from the appreciated value of its equity interest in *e-Cornell*.

**Third Parties and Commercial Partners** – It is anticipated that Cornell, on behalf of particular Colleges, Programs, Laboratories, and other University units, may contract through *e-Cornell* with third parties and commercial partners in two situations:

1. Where the Cornell entity needs to partner with a third party to enhance name recognition so as to be able to enter a competitive marketplace; and
2. Where a third party brings to an agreement needed capital, expertise, or position in the marketplace.
All such agreements are subject to the approval of the Cornell University Counsel (or designee). While there are literally hundreds of potential commercial partners and third party vendors seeking to partner with the most prestigious universities on distance learning ventures, we anticipate that e-Cornell will engage in a limited number of such partnerships and only in situations that meet the criteria specified above.

Figure 1 shows a schematic of the proposed organizational framework.

Support for Cornell’s Technology-Based Instructional Activities

Cornell Information Technologies (CIT) under the direction of the Vice President for Information Technologies will continue to have the responsibility for providing technical and pedagogical support for activities that are expected to be primarily those that enhance learning of Cornell students, but that have little or no profit-making potential.

In addition, there is an increasing demand for synchronous kinds of educational activities involving the linking of classrooms, the linking of students at other sites to a Cornell classroom, or the linking of experts to Cornell classrooms or studios. The Vice President for Information Technologies will expand instructional technology support, including

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3 The University’s Conflicts Policy is being clarified by the University Counsel working with a faculty advisory group, which includes the Dean of the Faculty. The goal is to clarify existing policies (rather than modify or create new policies) by adding scenarios that describe internet teaching situations. The proposed scenarios will then be brought to the University Conflicts Committee.
web-based classes, and distance learning classroom design, and operation, and maintenance. FABIT will play an advisory role to the VP for IT on these matters.

*Instructional Technology Support* - The cost of producing and delivering high-quality courseware is substantially greater than traditional face to face instruction. It is anticipated that significant benefits for activities aimed at improving learning for Cornell students might be gained from advances and innovations developed by *e-Cornell*. A number of scenarios are possible. CIT might want to contract with *e-Cornell* to develop templates for various types of faculty-student web-based instructional activities. Alternately, creative or technological advances made by *e-Cornell* might be shared with CIT for use in assisting Cornell faculty with the development of instructional technology-based activity to enhance learning for Cornell students in exchange for other services (see discussion of offsetting services below).

*Classroom Design, Operation, and Maintenance* – CIT, under the direction of the Vice President for Information Technologies, will be responsible for developing a campus-wide infrastructure plan, which will set out state-of-the-art classroom standards. The VP for IT will also develop an approach (including financial arrangements) for providing ongoing operation and maintenance of distance learning classrooms. This service will be available to the Colleges and other Cornell units that may build distance learning classrooms.

*Offsetting Services*

The contractual relationship between Cornell and *e-Cornell* will also accommodate the exchange and offsetting of services provided between the University and the Corporation. For example, Cornell might provide specified human resource services to *e-Cornell* in return for production services for special programs or activities, such as the design of templates for instructional support. There would be a balancing of the value of the services exchanged.⁴

Additionally, *e-Cornell* may have a periodic need for access to state-of-the-art distance learning classrooms, such as those that currently exist in the ILR School. Again an offsetting of services might be worked out so that *e-Cornell* has access to these classrooms.

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⁴ As long as Cornell receives fair market value for the use of its facilities, there are no material legal impediments to this cooperative approach.
**Strategy and Initial Content for e-Cornell**

**Strategy**

The initial strategy for *e-Cornell* is to:

- Offer continuing education programs from Cornell’s top professional schools where we have either the top brand name or sufficient strength in a niche market to be competitive in the marketplace. We particularly sought opportunities where we have the potential to be the first in the marketplace.
- Couple Cornell University Library and museum digitization efforts with its distance learning programs and activities;
- Capitalize on Cornell’s unique strengths in birds, gardens, and oceans; and
- Seek partnerships when name recognition in the marketplace and/or capital are needed to launch new programs.

Any online degree program proposed by a College or School will require heightened scrutiny on campus and Board of Trustees’ approval. Figure 2 represents our initial strategy schematically. Note that all projects listed are those that have been proposed to date and are not meant to appear exclusive of other ideas and programs; additional projects and ideas are being added as they are proposed by Colleges and other Cornell units.

### First Projects:

1. Certificate in Hospitality Management (Hotel)
2. Grand Rounds (Medical School)
3. International Human Resource Management (ILR)
4. Alternative Dispute Resolution Training (ILR)
5. Continuing Education Programs (Veterinary Medicine)
6. Start-Up Education for Entrepreneurs (CALS and EPE)
7. Certificate in Systems Engineering (Engineering)
8. Cornell University Library Projects
9. Cornell CyberTower (Cont.Ed. & Summer Session/CAU)

### Projects Pending Market Analysis:

10. Education in Legal Ethics (Law)
11. LLM in International Comparative Law (Law)
Key aspects of this strategy include:

- Five of the first professional school projects are certificate programs offered from four of our Colleges with the top rankings and brand names -- Hotel Management, Industrial & Labor Relations, Veterinary Medicine, and the College of Agriculture and Life Sciences.
- Certificate and niche programs offered by our other highly-ranked professional schools – the Medical School, the Law School, and the College of Engineering – add additional possibilities for the first phase of activity.
- The Cornell University Library’s digitization effort presents the opportunity for the Library to provide electronic document and image support for the projects proposed by the various professional schools. In addition, there is the unique opportunity to become the library for distance learners through partnerships with other universities and commercial distance learning partners.
- A public relations project – Cornell CyberTower – features programs by some of Cornell’s outstanding faculty and is aimed at attracting the attention of high school students (prospective undergraduates will be able to have a glimpse of the Cornell experience) and alumni.
- Through partnerships and projects with the Laboratory of Ornithology, the Plantations, and the Shoals Marine Laboratory there is an opportunity to build educational programs and activities around Cornell’s unique strengths in the areas of birds, gardens, and oceans.
- Through agreements with corporate partners the Johnson School of Management proposes to offer programs in business administration.
- An opportunity to partner with other top universities and Colleges in a consortium planning to offer undergraduate courses to other colleges and universities.