

Utah Business

Article

A Virtual Success

Pioneering a New Educational Model

By Heather Stewart

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In 1999, Robert Mendenhall took the helm of a brand-new university—so new that it was just starting to accept students. It was Western Governors University (WGU), a school that was formed entirely around online instruction and competency-based education.

Both the online delivery and competency-based model were revolutionary—especially for a nonprofit, accreditation-seeking institution. “There were a lot more skeptics than there were fans of the idea. It took us several years to demonstrate how it would work and that it did work and the value of it,” says Mendenhall. “I remember The Salt Lake Tribune used to write articles—my favorite was ‘Virtual university virtually empty.’ Really complimentary things. They must have written at least six articles saying we’d never make it. That was just in Utah. We had articles like that in all our states.”

But Mendenhall never lost faith in the concept, and neither did the 19 governors—and their successors—who originally developed the university. Today, WGU boasts 46,000 graduates who come from all 50 states. In fact, it’s the only institution that can certify teachers in all 50 states.

Online Evangelicals

In its early years, WGU faced some major hurdles. It had to convince three key groups to embrace its model: accreditors, the federal government and students.

The accreditation process is a peer-review system that typically favors traditional methods and practices. Mendenhall says the accreditors had to be converted to the idea of online education, particularly online

education that measures competency, not time in class.

“In our model, we actually work with industry to define what they expect a graduate to be able to do,” he says. “And when students demonstrate they have that knowledge and skills, they graduate—independent of how long it took them. We recognize that students come to college knowing different things, and frankly we all learn at different rates—and we learn different subjects at different rates.”

The accreditation process was lengthy, but WGU was able to gain accreditation in early 2003, and “from that point on, the university really took off,” says Mendenhall.

Convincing Congress and the Department of Education was a bit trickier. “At the time, there was a law that no more than 50 percent of instruction could be delivered online,” he says. Without the federal seal of approval, WGU students would not have access to federal financial aid.

WGU worked with the Department of Education to create a demonstration project that was intended to prove the effectiveness of online instruction. The project was a huge success, and in 2006 Congress changed the law to allow institutions to deliver 100 percent of instruction online.

But the biggest hurdle, says Mendenhall, was selling the idea to potential students—especially in the early years, before WGU had accreditation and before its students could take advantage of federal financial aid. But over time the virtual seats began to fill up, and now the school is growing at an annual compound growth rate of about 30 percent, he says.

Powerful Partners

One of the keys to WGU’s success has been its tremendous partnerships—from the 19 original governors to influential industry allies. The governors “brought in about 20 major corporations that really got the vision and wanted to support it. Sort of by definition most of those companies were technology companies—AT&T, IBM, Microsoft, Oracle, Cisco,” says Mendenhall.

Those companies provided a lot of the early funding for WGU, and their support did not flag during the tough early years. “There’s real power in having 19 governors behind us. And there’s real power in these 20 companies that supported us both with technology and money, and they were defining the degrees we were developing,” says Mendenhall.

Eventually, the Department of Education became a strong ally as well. That agency gave WGU a \$10 million grant to create a teacher’s college, hoping WGU could address teacher shortages in specific fields. Now, WGU is among the top five largest teacher colleges in the country. “And we’re the largest provider of math and science teachers in the entire country by quite a margin,” Mendenhall says.

The governors have remained stalwart champions of the institution over the years. “We were originally created by the governors to add affordable capacity to the state higher education systems,” says Mendenhall. “The current governors are increasingly looking to partner with us in a stronger way, actually

creating a state-branded WGU for their own state.”

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Although WGU does not receive any state funding—it is private and entirely self-sustaining through tuition—states like Indiana, Washington, Texas, Tennessee and Missouri have created these state-branded versions of WGU.

Startup Strategies

Mendenhall came to WGU with a background in startup culture, and he says the strategies he employed to grow WGU apply well to any startup. For example, he says to act like a startup, instead of spending money on expensive office space or other frills. When Mendenhall joined WGU, the college was based in pricy downtown offices. He moved the headquarters from that space “into a basement ... because we’re a startup and we’re not going to spend money on rent. You really have to focus on spending your resources on the things that are most important to build the business.”

Salaries are another way to quickly blow money. “Don’t add people too quickly. People get in trouble by expanding too quickly,” Mendenhall says.

But the main thing, he says, is to stay the course. “Don’t lose faith that it’s going to happen. Sometimes we expect it too quickly. There were a lot of people who said we’d never make it. We never really felt that way. We always felt like—this may be harder than we thought, but we’re going to pull it off.”