

Case study 10

The Virtual Seminar: an online course for professional development in distance education offered as joint venture by the University of Maryland University College and Oldenburg University

The Virtual Seminar on Professional Development in Distance Education was held for the first time in 1997. It was presented as a joint project by the Centre for Distance Education and the Institute for Distance Education of the University of Maryland. The intention of the seminar is to use modern technological means (Internet/WWW) to bring professionals in distance education into a discussion with acknowledged experts in the field. The delivery method uses WWW based presentations together with on-line computer mediated communication (CMC) conducted over the Internet via a Netscape browser. Since net access is free for the Centre for Distance Education (through its membership of the Deutsches Forschungsnetz) as well as the Institute for Distance Education of the University of Maryland, the costs incurred by the two teaching institutions are comprehensively stated in the following table.¹

Table CS 10.1: the First Virtual Seminar

Cost	Description of cost driver Virtual Seminar 1997
18 600	project development, project management and seminar moderation (2 persons)
4 960	two laptops for seminar leaders in Germany and Maryland for 'just-in-time' team teaching
9 300	technical assistance and hypernews ^a administration
7 440	four internationally renowned experts on open and distance learning (30hrs/week, plus their participation in the external evaluation) ^b
3 100	external evaluation
6 200	several: including two separate face-to-face meetings for the German and the US participants, internal evaluation, a presentation on the 18th ICDE conference in Pennsylvania, costs of final report
49 600	Total

Source: Fernstudienzentrum Oldenburg; all costs in £'97 (\$1 = £0.62) Notes: a: The software development uses Hypernews™ which is an Internet freeware; b: the experts were on standby for one week. Hence, though the mode was basically asynchronous (CMC), the feedback time was generally shorter than 24 hours.

¹ A comprehensive documentation of the 'virtual seminar' is available in Bernath, Rubin 1999

ICDE and AT &T sponsored the first Virtual Seminar from funds to support international projects in distance education, which would make use of the new communication technologies.

To make it into a sustainable even self-supporting seminar the costs had to be reduced substantially. This was largely possible since the second edition of the seminar could profit from the development costs invested for the first one. This applies to the software development based on Hypernews, and also applies to the cost of the four international experts. Since the same experts were involved for a second time fewer preparatory meetings (concerning content as well as management issues) were necessary.

Table CS 10.2: the 2nd Virtual Seminar

Cost	Description of cost driver Virtual Seminar 1998
6 200	project development, project management and seminar moderation
3 100	technical seminar management and assistance based on Hypernews™
3 720	four internationally renowned experts on ODL (30hrs)
3 100	administration
16 120	Total

Source: Fernstudienzentrum Oldenburg; all costs in £'97 (\$1 = £0.62)

There were 44 participants from 16 countries. The seminar was addressed to distance education professionals working in higher education. Each participant/institution had to pay £360 for the seminar. It was felt that for some institutions, especially in developing countries and the countries of Eastern Europe, this proved to be a too expensive. It was felt that a sort of scholarship system should be arranged for those cases.

The course was designed to take in 45 students whose fees would have covered the cost almost exactly.

Cost analysis

The first seminar had higher costs than the second. In order to differentiate the seminar's development and running costs we reclassify the costs according to a simple principle. We illustrate the principle in the case of management costs: during the second seminar, management costs were only £6 200. The joint management costs for developing and running the course have been £18 600. We break down these costs into £6 200 for running the seminar and genuine management related development costs of £12 400.

The application of this principle leads to the synopsis given in table CS 10.3.

The reduction of average cost from 1997 to 1998 signals that there is still a potential for scale economies. If the variable cost per year can be kept stable at £13 020 or £289 per student, then a repetition of the seminar for another three times would decrease average costs roughly to £400.

The commitment of participants in terms of study time was specified as about 80 SLH. The only medium used was computer-mediated communication or computer conferencing. Since we want to estimate the cost of the teaching process conducted over the Internet, we ignore the fixed costs of development and look at the cost of teaching and supporting the teaching process only.

Table CS 10.3: Synopsis of costs (1st and 2nd Virtual Seminar)

	1996	1997	1998
Management	12 400	6 200	6 200
Hardware related	4 960		
Software related	6 200	3 100	3 100
Content development and teaching	3 720	3 720	3 720
Subtotal (running costs)		13 020	13 020
Evaluation		3 100	
Conference & other		6 200	3 100
Subtotal (per year)	27 280	22 320	16 120
Total			65 720
No of students		45	45
AC		1 102	730

Source: reclassification of cost drivers from tables CS 10.1 and CS 10.2

The cost drivers are the personnel costs of management teaching and technical support. Table CS 10.3 indicates these costs as £13 020: half of them are management costs, a quarter teaching costs and a quarter relate to technical support. Given that the overall number of student learning hours was 80, the cost of conducting and supporting a computer mediated teaching process at a distance amounts to £260.

$$\text{Cost/SLH(CMC)} = \frac{\text{£ } 13\,020}{80} = \text{£ } 163$$