

# Through the keyhole

As the new European CEO of Keypath, **Rajay Naik** hopes to make online degrees mainstream in the UK. But can he convince our cautious universities to go online?

If you needed a leader capable of achieving the seemingly unachievable, Rajay Naik would be worth a second glance. The 28 year-old has packed more into his short career than most have in a lifetime, having served as the Open University's director of government and external affairs for five years; chairman of the Big Lottery; a Cabinet Office adviser under Tony Blair, and even a board member of his favourite football club, Coventry City.

His real passion throughout has been education, though, and he is still best known as the youngest member of the Browne Review into higher education funding, which led to the unpopular, but some would argue necessary, increasing of tuition fees in 2012.

Naik clearly does not shy away from a challenge then, which is good, because in his new role he certainly faces one. In June, he became European chief executive of Plattform – since rebranded as Keypath – one of America's leading providers of degree 'online enablement', and has been tasked with growing the firm in the UK and beyond. But while the phenomenon of universities contracting with private companies to take their degrees online is long established in the US, it is yet to take hold here despite some clear enthusiasm for elements of distance learning. Other companies that have tried to crack the UK market have been disappointed, but Naik is convinced Keypath can succeed. The question on the UK sector's lips, quite simply, is why?

## Open sesame

Certainly Naik comes well prepared for the role, having been at the forefront of UK distance learning at the Open University since 2010. He heaps praise on his former employer, saying he had always described

his role "as the best of my life" and was passionate about the "incredible engine of social mobility" the OU aimed to be. "I intended to go for six months and ended up staying for five years. Martin Bean [the OU's former vice chancellor] didn't have too much time for politics in the sector, so I ended up doing that for him and so I worked with Universities UK, Hefce, the University Alliance, and met the vice chancellors (VCs) of all the main institutions."

In a continuum with the work he did during the Browne Review, this clearly gave him a strong sense of what the sector was feeling. But it was the OU's massive open online course (mooc) project, Futurelearn, that seems to have had most sway over his ultimate decision to leave. The university partnered with a large number of top British institutions to offer free short courses around the world, but says Naik, many of those universities wanted more.

"When I was doing Futurelearn VCs kept saying to me, we love these free and informal courses, but what I really need are formal courses, real online degree students and real revenue on my balance sheet. And that really got me thinking about the online enablement space."

At Keypath, Naik will still be providing distance learning but under a wholly different approach – partnering with universities in a white label capacity to build online versions of their degrees, and then marketing those programmes around the world. Naik stresses how hands-on the firm's role is, as it takes care of recruitment, student support and the development of course content. "But the university retains all academic control and has the ultimate say over admissions," he says, "and that's not something all enablement firms agree to. We are absolutely committed to offering the same rigour and quality as students get on campus."

## A British model

The firm is a market leader in the US where it jostles for position with the likes of 2U, Laureate, Academic Partnerships and Pearson Embanet (many of whose senior execs have jumped ship and now work at Keypath). It is also backed by private equity fund Sterling Partners with whom Naik – who has mainly worked for public sector institutions – is hugely excited to be working with. "Being privately held allows you to be more nimble and run things like an entrepreneur, as opposed to having to report back to multiple committees."

It may also explain why Naik has been given such control over strategy. If working so many leading universities over the last five years has taught him anything, it's that the UK higher education sector is unique and imposing a US model upon it is unlikely to work. As such, he plans to build bespoke arrangements that reflect the "eccentricity and dynamics of UK HE's culture, regulation and its funding".

But despite these best laid plans, he faces a considerable barrier in getting institutions to sign on. While hundreds of thousands of UK qualifications are taken in a distance learning capacity overseas, they are typically delivered by third party providers. Very few universities actually deliver their own, more fully priced online programmes in the UK, and since it entered the market last year, Keypath has only signed one UK partnership, with Coventry University.

Matt Robb, a partner at Parthenon-EY, explains that the "fundamental difference between the markets in the UK and elsewhere is that in the UK, the online enablers are trying to catalyse the market. In other markets, such as the US and Australia, there was a pre-existing market that the enablers were trying to help traditional universities to access".





► He says there are reasons to believe that online enabling is starting to gain traction, as seen with Exeter University's recently announced partnership with Pearson, but it is too early to call it a tipping point. "Given the long sales cycles in this sector, it may not be clear when the tipping point has occurred until after it has done so," he adds.

Naik appreciates the UK market is immature but is confident change lies ahead, claiming that "if 2012-13 was the year of the mooc, then 2016-17 will be the year of online enablement". He believes moocs have opened universities' eyes to the need for greater innovation and showed them they can deliver at high quality online. He also says that the demand for quality distance learning, particularly in emerging markets, is becoming something universities cannot ignore. "A lot of our customers will be postgraduates in their late twenties, very often in work who want more flexible and affordable ways of obtaining a British degree."

At a time when student visa regulations are getting tougher in the UK, the opportunity to tap this market will surely have appeal. And he says working with a private partner which can shoulder the burden of marketing and recruitment will seem like common sense to most.

But there are risks involved too. Whereas the OU and third party providers are relatively low cost, universities will seek to charge premium prices at a time when online education, at least perceptually, is still considered as less valuable than on-campus delivery. Much will ride on the quality of delivery and student experience firms such as Keypath can bring to the table – although in an era when almost every other aspect of our lives is going digital, there will be legions of students hoping they succeed.

Naik understands this and realises that, in the short term at least, his objective is to win hearts and minds. "Are we going to see a massive wave of partnerships like we saw with Futurelearn? No, because these are much more complicated relationships, it's a bigger undertaking involving a university's whole brand, and those things should be treated with humility."

Nor will we ever replace face to face learning, he adds, although he is convinced that online education can be every bit as rich as that delivered in person.

"My fundamental belief is that plurality and flexibility of delivery will become key to institutions. We expect it in every other part of our lives and it's high time we had it in education, too." ■