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'Brand is everything in cyberspace.'
CHARLES NESSON
Harvard Law School

Harvard ponders marketing on the Net

By Sam Allis
GLOBE STAFF

CAMBRIDGE – As brand names go, it is on par with Coca-Cola. No other name in education carries its luster, throw-weight, and global reach. From Cameroon to Kamchatka, people know about Harvard.

But unlike Coca-Cola, Harvard has never exploited its name. It has focused instead on its unrivaled community of scholars and residential experience. Admission to its college or tenure on its faculty draws from the elite of the elite. It practices the politics of scarcity.

On the millennial eve, the brand is like an untapped oil field. "It is a global brand name without a global distribution system," says Susan Rogers, former chief technology officer of Harvard Business School and now a consultant.

Not for long. The relentless growth of the Internet has driven the institution to reexamine its mission and brand potential as never before. Last spring, Rogers gave Harvard's provost, Harvey Fineberg, a 75-page memo outlining five paths that Harvard might pursue in cyberspace. They range from upgrading existing technology to enhancing distance learning to creating a full-blown Harvard.com business subsidiary to make large money from the university's myriad educational products.

Over the summer, key administration officials and faculty digested the Rogers memo. She was stunned by the response from this crowd, known for its low comfort level with cyberspace. "I thought the reaction would be, 'This really doesn't apply to us,'" she says. "But I saw lightbulbs going off at the highest level."

The options are tempting. A Harvard.com would be easy to put together. Ad agencies would kill for the opportunity to market it. "They have a brand name that is the envy of every school administrator in the world," says John Preis, chief financial officer of Columbia Business School. And, adds Harvard Law School professor Charles Nesson, "Brand is everything in cyberspace."

God knows, Harvard does not need the money. With a $13 billion endowment, it is by far the richest university in the world. So almost alone among academic institutions, it can decide its future role on the Net based on mission, not money.

Whither Harvard on the Net is the hottest question in the administration these days. Fineberg, the point man for the university on the subject, also chairs a 12-person Harvard Academic Computing Committee, which is composed of legations from all of the university fiefdoms to address these matters. The group, formed last year, is not close to choosing a path for Harvard. And it probably will never produce a white paper limning policy for the entire university on the subject. The place doesn't work that way.

Harvard has always been an astonishingly decentralized conglomerate. "Every polar bear his ice floe," is how John Kenneth Galbraith once described its faculty. And its graduate schools operate as muscular city-states. So by all accounts, Harvard will shape its profile on the Net in a manner that some will view as chaotic and others will place more charitably under the rubric of "let 1,000 flowers bloom."

At some point, says the school's general counsel, Anne Taylor, the intellectual-property lawyers in her office will produce a set of ground rules by which the deans must play. "We know that if we don't, it will be like living at the rodeo with a lot of cowboys out there," she concedes. "So we need to give them some boundaries. But we won't be the architects."

Virtual Harvard challenge

To understand Harvard's challenge is to recognize that the issue is about mission, not technology. "The questions are technology-enabled," says Fineberg. "But the answers are not technology-driven. To think otherwise is a delusion and a strategic error."

The questions are huge. Does Harvard dilute its incomparable franchise by putting its teaching and research on the Internet? Does it charge users for its Net content and, if so, how would price be determined? In the words of psychologist Howard Gardner, "What should Harvard *not* do? What line should the university not cross? What is it that you don't give away?"

At a gut level, does a virtual Harvard course detract from the undergraduate degree for which parents take out third mortgages and children herniate themselves to obtain? If, in short, someone can take Harvard courses on the Net, why pay more than $30,000 a year to go there in person?

For starters, Fineberg challenges the assumption that exclusivity and quality go hand in hand. "Does quality and exclusivity equate one to the other?" he asks. "It's arguable. Exclusivity is the wrong dimension of expression of quality of the Harvard experience. If you read an excellent book, does it matter that there are 100 or 100,000 copies?"

Fineberg is understandably vague about what profile Harvard will adopt in the for-profit world of cyberspace. While it is far too early for Delphic utterances, he stresses that everything is on the table. "I rule nothing out now," he says flatly. "The boundaries between for-profit and not-for-profit are much more flexible than they ever were."

One certainty will be the use of improved technology to enhance existing programs – continuing medical education at Harvard Medical School for physicians, for example – regardless of whatever else Harvard does. This is one of the chief responsibilities of Daniel Moriarty, who this month began the new job of assistant provost for information technology.

Rogers, the consultant, thinks that Harvard will eventually take

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significant steps into the Internet world, including creation of a university-wide Internet portal through which a user could gain access to data and programs from all of Harvard's schools as well their distance-learning offerings. The university currently has an informational Web site, Harvard.edu.

Cyberspace marketing

Harvard does not suffer from apathy on the subject of life in the cyberworld. Gardner, among many, abhors the specter of a commercial Harvard.com, which he feels would be a cousin of the corporate universities sprouting up across the country funded by outfits like Pfizer Corp. "I see nothing at all problematic about transmitting for free what we've learned," he says. "But what would Harvard's answer be five years from now if its nonprofit status is taken away because it's considered no different from Disney?"

And yet some of Harvard's duchies are already doing business on the Net. The Harvard Business School Publishing Corp., a wholly owned subsidiary of the business school, signed a contract two weeks ago with a Denver-based outfit called eCollege.com to market 10 of its courses on the Internet. eCollege also put about 3,500 of its case studies on the Net last year for the 130 colleges and universities around the country it services.

Business School dean Kim Clark says such projects are simply extensions of the school's philosophy to spread its educational product for the broader good since it started selling its famous case studies in 1922. "But we would not offer an online MBA degree," he says, though he leaves the door open for other, nondegree certification. "We may well do that work," he adds. "No question about it."

What Clark will not allow, to answer Gardner's question, are joint ventures using Harvard's name where control and quality would be at risk. One recent example involved a large, very reputable firm that wanted the business school to develop and administer a program for its entry-level employees. "You add up all the zeroes and the money involved was a very, very large number," says Clark. "But they were trading on our brand, and we said no."

Entreaties from companies seeking to exploit Harvard's name pour in throughout the university. "We have to beat them off with a stick all the time," says Michael Shinagel, dean of continuing education. "They all want the brand name. Period. It's the coin of the realm."

Harvard's richest branding potential falls under the category of what Shinagel calls "executive education," which includes continuing learning for lawyers, doctors, teachers, public health officials, and other professionals who need periodic recertification in their fields. Americans will on average have six careers in a lifetime, he points out, which means that certification will become critical to their livelihoods.

Shinagel notes that continuing education in all of Harvard's 10 schools generated $160 million last year – about 10 percent of Harvard's overall budget. "This will only increase as brand gets more important," he predicts.

For example, an endocrinologist could receive a program tailored to his or her specific needs, accessible on the Net at any hour, instead of spending an expensive week in Hilton Head, S.C., attending a conference on the subject.

"You contrast that with the question whether Harvard should offer a virtual MD program," says Moriarty. "The question has been raised if the med school should think about new degree programs. It was a very short discussion."

Nesson, the prime agent provocateur on cyberspace at Harvard, along with his colleagues at the Berkman Center for Internet and Society at the law school, favor an approach where Harvard content is put on the Net gratis. But Nesson also wants Harvard faculty members to benefit financially through marketing the textbooks and material they produce to the huge audiences who would take their courses on line.

But that concept runs into a core control issue with the university over how the spoils would be divided. "We might run into some troubles along those lines," he concedes. "The university could say, 'We own your course.' That's the contest. That's what people are thinking about."

Meanwhile, for-profit, virtual universities like the University of Phoenix are multiplying. New York University has spun off a for-profit NYU Online Inc. to tailor courses to the training needs of corporate clients. And a number of prestigious institutions are marrying venture capitalists for their money. Most prominent, perhaps, is UNext.com, a Chicago-based outfit of which mogul Michael Milken owns 20 percent. UNext will transmit content onto the Net from an academic consortium that includes Columbia, Stanford, the University of Chicago, Carnegie Mellon, and the London School of Economics and Political Science.

The venture is geared to business education, at least for now. It expects to have its first course, in accounting, available early next year, according to Preis of Columbia Business School, the arm of that university that is participating with UNext. (Harvard Business School was approached by UNext, according to Clark, but rejected the offer to participate.)

Harvard is often accused of being late to consider new trends in education. In the case of cyberspace branding, Rogers asks, late compared to what? None of the models that exist on the Internet offer anything that Harvard wants to embrace. "This is pre-Kitty Hawk," she says. "No one has figured out the model yet to be effective."

Still, Harvard must identify threats from new players on the education gridiron. Fineberg cites the code word for such dangers that Intel founder Andy Grove uses with his troops: rebar. Rebar is the low-grade steel used to reinforce concrete. The domestic steel industry chose not to produce it, allowing the Japanese to gain market share with it in this country. Today, America's domestic steel industry is moribund.

"Is the University of Phoenix our rebar?" Fineberg asks. "I know that Harvard has to change. No institution remains at the forefront of its field if it does the same things in 20 years that it does today."

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Consultant's Memo Prompts Harvard to Rethink Its On - Line Offerings

By DAN CARNEVALE

Harvard University, whose name has come to symbolize scholarly excellence, is considering a plan to build brand identification for its on-line offerings.

The university's goal is to coordinate the efforts of its schools and programs that are already providing on-line courses and other resources, such as research data. Among them are the Schools of Public Health and Business, and the Division of Continuing Education.

"It is a global brand name without a global distribution system."

"It's like 10 fingers, and it doesn't form two fists," says Michael Shinagel, dean of continuing education at the university. "Harvard is decentralized that way."

But any plan, if adopted, could end up throwing punches at other institutions that want to compete with Harvard on line -- for students, for the sale of information, possibly even for advertising. Few brand names, after all, are as prestigious and sought-after as Harvard's.

A story in the *Boston Sunday Globe* said the university had been reviewing its on-line options closely since the spring, when a consultant named Susan Rogers submitted a 75-page memo that outlined a variety of methods Harvard could use to tap into the Internet market.

"It is a global brand name without a global distribution system," Ms. Rogers told the *Globe.*

The memo's suggestions included improving existing on-line courses and providing additional services through a Web site that might be called something like Harvard.com. (That name is currently used by the Harvard Book Store, which is not affiliated with the university.)

Elizabeth C. Hess, Harvard's senior consultant for academic computing, says the university hopes to create a long-term, cohesive strategy for pursuing Internet-related markets.

"It's not a look at how we can extend the Harvard name," Ms. Hess says. The university's schools are already doing that, she says, by making courses and materials available, but now "we're taking a look at it from a university level."

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Some other institutions have created commercial ventures with for-profit partners to market their on-line offerings, but Mr. Shinagel says Harvard currently has no plan to follow suit. If it did create such a venture, he says, a campus-wide policy would help protect the brand name. "Harvard is very careful about maintaining control."

The Harvard Extension School has been offering open enrollment in some of its classes for 90 years, and it has allowed students to take some courses on line for three. It plans to let students earn degrees entirely on line within a couple of years, Mr. Shinagel says.

But not all institutions that provide on-line courses are afraid of competing with a heavyweight like Harvard.

Tom Gillman, coordinator of on-line learning at the College of the Desert, near Palm Springs, Cal., says that there is still a growing demand for community-college classes that students can take over the Internet, even if the students don't end up with a Harvard degree.

"It's a different marketplace," Mr. Gillman says. "I wouldn't consider Harvard a threat, and we're certainly not a threat to them."

Mr. Shinagel says he's not worried, as others at Harvard may be, that "the brand name is going to be diluted."

In order for a student to list a Harvard degree on a résumé, he says, the degree must be earned. Of the 400,000 students who have taken advantage of the extension program's open enrollment since 1909, only 6,000 have actually earned degrees.

"You know, if someone does the work, they deserve the degree," he says. "It's the old biblical injunction of 'Many are called, but few are chosen.'"

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