Just Because You Can, It Doesn't Mean that You Should!

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Abstract

Web entrepreneurship is an area for people who run a variety of online markets of which some succeed and some fail. Examples of the latter are the enterprise heavenly-doors.com, which operated a funeral service over the internet and others that provided retailing services that failed because they did not pay attention to user demands. Entrepreneurs who have technological capabilities started businesses to be convenient and effective to the consumer. However, a significant number of such businesses closed their virtual doors as web traders since 2000.The authors conducted a study to examine the examples of business plans from a businesses plan archive website, to establish if there were common mistakes made by web entrepreneurs. This enabled the authors to determine where web entrepreneurs were short-sighted and to report on possible solutions to be kept in mind by entrepreneurs presently operating e-Learning websites.

Keywords

Computer Based Training, Distance Learning Systems, DotCom, e-Learning, Learning Management Systems, m-Learning, u-Learning

Introduction

Internet, when used properly, is an effective marketing tool. Web services makes life convenient for people with heavy work schedules

by simple logging in to the site and utilising the services provided by the service providers and commercial entrepreneurs. The services provided by websites are helpful to working individuals well of as to non-working people e.g. shopping online, advertising second hand furniture, e-Learning etc. On the other hand, an entrepreneur with access to technological capabilities was assured booming business as their client numbers increased. However, too many of the web entrepreneurs are out of business now. Miller (2002) stated that there are a number of failures among the web business. (In 2000, about 835 Internet companies went bust.) This article will therefore investigate some of the more spectacular failures and the reason why they did in order to apply it to e-Learning to ensure successful transfer of knowledge.

Background to Problems Experienced by Web Entrepreneurs

The range of failed websites that went broke offer a lesson to all would-be e-Learner facilitators. It can be noted as: just because you can do it doesn't mean that you should do. The fact that the technological capability is there does not mean that anyone wants the service or product offered. And the fact that you can do it certainly doesn't mean that there is any money in doing it!

Some of these websites that failed in 2000 were creative in the use of the technology, but they really did not have much hope of success as the question of who would want to use them and what advantage there would be for the user was not at all clear. Take for example the case of Heavenly-Door.com a website set up to supply funeral services. After five months and $26 million they closed the business. Now the question is and presumably always was "Who in the state of bereavement would want to go to a web site to arrange a funeral?" Just reflect on the last funeral you went to and you will remember that a funeral is an intensely personal event, which cannot be arranged over a telephone line. The funeral is all to do with the overt expression of sympathy of people and thus just cannot be simulated on a computer. The add-ons for e-Learning have not been determined but thus will have an impact (e.g. the same could be stated of the student whose

complaints might need a personal touch). On the other hand not only does the website need to offer something which is truly needed and wanted, but there has to be a reasonable profit margin in it for the e-Business. The action would be to build synergy between the teaching institution and learner activities – the question is: Do we?

Urbanfetch.co.uk illustrated this problem perfectly. Here was an attempt to give the consumer a really fantastic deal by ignoring the realities of transport costs. But most companies just can't magic away the carriage cost and they have to pay a delivery charge. The delivery charge levied is sometimes not that large, with the vendor partly subsidising this cost out of the profits of the sale. But someone has to pay for the carriage of the goods. Transport is a key element in the economic equation and unless it is properly integrated into the cost model the business will not survive. So Urbanfetch.co.uk lasted about nine months before having to close its doors.

The list of e-Business failures is long and there is no doubt that it will continue to lengthen until web entrepreneurs begin to understand the issue of the business model and start to take it seriously. Institutions that offer e-Learning can be counted on one hand in KwaZulu-Natal and no doubt some of them will fail. In 2000 most web entrepreneurs simply estimated the market size and then said to themselves and their suppliers of funds, that they can easily get 10% or 5% or 1% of that market. This calculation produced an enormous potential figure. They seldom did enough in-depth analysis to understand how to obtain this business and what the cost of obtaining it would be. This analysis is essential to underpin any serious business model, but this is seldom done. Many institutions did not do proper in-depth analysis of in what stage of the learning process they are. (see the conclusion).

In fact a professionally produced business model needs to address two main issues. These are that: A successful website need to have a compelling and preferably unique reason why people should want to come to the site to buy or engage in the activity that e-Learning for example offers and also the website needs to be able to charge a fee

which will cover the business's costs and may be make a profit for its investors. If these two questions cannot be confidently answered then perhaps the e-Business will not be a success.

In trying to answer the first part of this demanding question it is essential that the would-be web entrepreneurs take advice from potential users of the website. It's not good enough for the would-be web entrepreneurs to simply imagine the reaction of potential clients. This was one of the issues that brought Boo.Com down. The same could be used for e-Learning; if the course is offered listen to the users.

With regards to the second part of the model there is no point in proceeding with a business for which there is not an adequate number of paying clients. And these clients need to be reachable at not too great a cost. e-Stamp.com gave up and closed their doors because although there was a good market for postage stamps in the USA, it was costing them about $600 to get a client to sign up and this was just prohibitive. Again this is a difficult question to which to find a satisfactory answer because course development can be expensive.

A very interesting example of another case that was not thought out fully is that of Priceline.com. Being a web equivalent of a travel bucket shop which has its doors open 24/7/365 undoubtedly has merit and it is quite probable that with enough throughput or volume of sales a good business can be made of that proposition. However, it is easy to copy this business model, especially if you are one of the airlines being represented by Priceline.com. Thus this was an intrinsically vulnerable model. Another problem surfaced with the notion of reverse auctioning. It is perhaps the excitement of being able to do new and interesting things with the technology that deflects their attention from the business realities with which they must come to terms if they are to become a success.

Here the traveller states how much he or she will pay for the flight and the website tries to find a carrier that will be prepared to offer passage at that price. Such travellers normally offer quite a low price. Of course this deeply discounted approach leaves little margin for the air-

line, not to mention the intermediary and it doesn't suit all that many people to make their travel arrangements this way. But when Priceline.com tried to extend the notion of reverse auctioning to groceries and gasoline the model came under intense strain. Anyone with any knowledge of the retail grocery business knows that making e-Retailing work is very difficult. The fulfilment cost is the spanner in the works. So if it is so difficult to make this work when the groceries are being sold at the normal price, how can a deeply discounted reverse auctioning strategy work for this industry sector? When Jay Walker, the then CEO of Priceline.com said that he intended to re- engineer the DNA of business, he was indeed aiming high, and many sincerely wished him great success. However, it appears that he really had misunderstood the nature of the problems he was addressing. On top of these challenges, a group of the airlines that Priceline.com had been representing started their own discounted website. The vulnerability of the Priceline.com business model was proven beyond any doubt and it began to crumble. What is really fascinating about Priceline.com is that at its height of popularity the stock market valued the company's market capitalisation at more than the combined value of all the American registered airlines flying at that time. Today Priceline.com is worth about 1% of its former value. Priceline.com's business model could not stand up to reality. The question is how will re-engineering affect the DNA of e-Learning education because e-Learning is also expensive (as stated in the next section).

There is of course nothing new about creating a business model to ensure that the business idea will 'fly'. It is as old as the idea of business itself. But, for some reason it seems to be overlooked or forgotten when would-be web entrepreneurs begin to set up their operation. The bottom line reality is that it is difficult to make a success of an e-Business. Specifically e-Business is complex, e-Business is not inexpensive, and e-Business requires a collection of resources and skills or competencies. Understanding disadvantages associated with e-Learning one would ensure that academics are full, prepared and aware of the challenges involved in the development and design of e-

Learning.

Disadvantages of e-Learning

Developing and maintaining instructional models is intriguing but problematic at the same time because of the often daunting amount of training necessary, the potentially confusing variety of hardware and software choice available, and the dizzying pace at which technology evolves (Ries, 2004).

The National Education Association (NEA) (2000-2001) issued cautions on its web site in terms of portfolio assessment. There could be potential hurdles in moving from print to the digital medium of learning. Even though data in digital form can be easily cross referenced, overlaid and analysed, if you want to take advantage of technological tools you should consider several factors before changing from a traditional system. These are:

- *Access.* The hardware and software used to capture and store the student portfolio must be accessible to both parties. If computers, scanner, and printers are still down the hall in the computer lab, this may not be the time to initiate an e-Learning portfolio.
- *High-end Tools.* Depending on the subject matter, data may be stored in multiple data sources (text, voice, video, image, etc). The capacity to store more than a single file format will give a well-rounded representation of the student's work. Therefore, you will need access to at least one high-end workstation with a scanner, OCR software, printer and perhaps digital camera.
- *Space.* Graphics and photographic images take up a more system storage than text does. Be sure that the university's system can support large files without compromising other applications.
- *Labour.* Accumulating information for an electronic portfolio is labour-intensive and time-consuming.
- *Administration.* Before starting, determine how you will administer the electronic portfolio. A database application will be required that establishes an area for each student, stores various file formats and allow annotated comments.

The above-mentioned cautions as issued by the NEA give way to the analysis of the current position of the institution that intend to implement e-Learning. As must as web entrepreneurship had promised a good niche market for those who had resources, e-Learning demands large investment on infrastructure to address the above mentioned disadvantages. Tertiary institutions have yet to understand the history of e-Learning and evaluate their phase at which they are at, before fully committing to the implementation for e-Learning.

Barriers that Might Prevent Proper e-Learning

The prospects of e-Learning growth in both developed and developing countries is threatened by the barriers that are exerted by internal and external forces. The internal barriers are intrinsic factors that can be controlled by the course provider; whilst the external barriers are extrinsic factors that a more difficult to control.

Jones, *et al.* (2003) suggested the subcategories of intrinsic and extrinsic factors namely personal circumstances (PC), course related factors CRF) and student perception (SP), which they deduced from nine reasons for student withdrawal in online courses. These nine reasons are:

- Prime causes
  - Lack of time
  - Job or Business Changed/increasing pressure of work
  - Nature of the course
  - Personal Issues
  - Amount of coursework
  - Technical problems
  - IT skills
  - Did not require further qualification
  - Confusion/lack of understanding

- Other causes
  - Inflexibility in course design
  - Withdrawn by College

The above mentioned cause of withdrawal can be positioned in any of the subcategories of the barriers of e-Learning. Personal circumstances category is an extrinsic factor and is external to the programme such as change of employment and family and health related problem, these variable are more difficult to influence and control. Course related factors and student perceptions are intrinsic or internal factors; course related factors are related to a course component such as technical problems, assessment, reliability of the Virtual Learning Environment, course structure and type and quantity of assessment. Student perception group identifies problems related to the student understanding of the course and how it could benefit them.

The History of e-Learning

The evolution of e-Learning has been revolving around the above mentioned cautions, which assisted in the improvement of e-Learning. Cross and Hamilton (2002) discussed and identified e-Learning evolution in era's, then furnish the lesson learned in a specific era.

1990-1999: The Era of Custom Computer Based Training (CBT)

This era concentrate on computer based training (CBT) which meant using CD-ROM courses playing on the student standalone computers, standalone training stations, and sometimes across client/server LANs.

There were many technology players in this era because it was easy to copy this model (developed desktop-based multimedia authoring systems that could modestly skilled programmers to develop CBT). Like it is presently, digital media tended to be a rich mixture of video, narrative audio as well as music and sound effects, graphics and animations, and formatted text.

The resulting courses were innovative, highly participatory, engaging, and instructionally effective, often conditionally branching simulations, opportunities for learner exploration and discovery, extensive feedback and user-controlled videos, audiovisual slideshows, and so on. However, they were expensive, slow to develop, and monolithic and again easy to copy.

The lesson: Well-designed, high-quality CBT can have instructional and performance-boosting value. However, it is costly and labour intensive to develop, quickly to become obsolete, and suffers from a house-on-cards software limitation. All these prevent CBT's value from gaining long-term or large-scale momentum because there were little competitive advantages for institutions.

1997-1999: The Rise of the Learning Management System (LMS)

Though CBT was a useful tool, the users of the system realised they had significant number of high cost, high promise CD-ROM courses going to all sort of prospective users. But the usefulness and impact of CD-ROM was not known, it was problematic especially when CBT is to be implemented on a large scale (expensive). CBT had to be managed centrally and justified the cost. It was stagnant and was not clear what they want to achieve and how people will reach their goals.

A supplementary feature found in many custom courses, a LAN based student administration and data reporting system, portended a solution to the problem. The projected solution was a more expensive WAN-based or intranet/Web-based version of CBT that works across extended educational institutions.

This system could:

- Automate the administration of CD-ROM-based and even Web-based training deployed across many locations.
- Launch and track CBT courses.
- Work both intra and inter-departmentally.

- Report on the results of everything, and stratify reporting by location, department, group, etc.
- Surround and enrich CBT experiences with online collaboration among groups of learners and between instructors and learners, such as threaded discussions, chat rooms, news and document postings.

Thus Computer-Managed Instruction (CMI) also known as Course Management System (CMS) was born. However, the purpose of these CMI/CMS systems became blended with Training Management Systems (TMS).

The Training Management Systems tend to emphasise:

- Modelling of employee skills and measurement of skill gaps through online testing.
- Correlation of skill-deficient learners with matching training solutions.
- Administration of classroom training courses and logistics.
- Automation of the registration process.
- Of course, reporting on the results of everything.

The merger of CMI/CMS and TMS resulted in a new breed of Learning Management Systems (LMS), which featured robust technologies and a comprehensive attempt to administer, manage, track, and report on skills, classroom training. It was essential to pay attention in putting strict standards into place, to ensure the CBT portion of LMS adhere to interoperability standards between CBT and LMS.

The lesson: Enterprise control of CBT administration and deployment is good. But it needs strict standards so that different content sources readily plug-and-play on any administrative technology platform.

1999: Everyone Moves to the Web, or at Least Want to

Although companies and institutions have installed Internet and configured their networks it should be noted that a broad bandwidth ensures a commonplace for people to use. It made sense to migrate from CD-ROM-based training to Web-based training. Cross and Hamilton (2002) further mention drivers for this transition:

- Web-based training helped to justify the cost of the intranet.
- Implementation of e-Learning to the field became far easier when CD-ROMs weren't being distributed and maintained at endless numbers of locations.
- Learning could be taken "anywhere, anytime", as long as a browser-based Web connection could be made to the host server.
- The shelf life of courseware could more easily be extended, as course updates needed to be implemented only once, on a server, rather than endlessly on each training workstations at each training location.
- Central LMS management and control via easy-to-establish Web connections allowed the promise of the enterprise LMS to reach fruition in pragmatic terms, and catalysed a true empowerment of the central Training/HR Department to manage training across the enterprise.

All species of e-Learning companies (custom courseware developers, packaged content providers, and LMS vendors) moved to Web technology as quick as possible. It had been realised by their companies that e-Learning held potential. This was not possible until something along the lines of the interactive, instructional, and media richness of CD-ROMs could be duplicated and reinvented using Web standards.

The Lesson: The Web is where it's at because it brings administrators, instructors, managers, and the worker-learner together in a consolidated virtual environment. Worthwhile e-Learning on the Web would be challenging to accomplish although reverse engineering does not always ensure sinful learning.

Mid 1999 to 2000: The Internet Land Grab Is on

In this era enterprise deployment of web courseware with central administrative management grew, but neither high quality nor customisable and manageable content was to be seen. Many e-Learning vendors of this era, those that were and that just started up, offered a shopping mart of centrally managed Web content. This was accessible anywhere, anytime and high quantity of content was intended to make up for compromised quality. The technology was portable and the content philosophy was offered to mass quantities.

LMS became the data management backbone of all learning portals, solidifying the perceived fundamental importance of an LMS to making e-Learning happen. For the majority of original high-quality CD-ROM developers the jump to the Web was not successful, the reasons includes their unwillingness to lower quality standards to what was current on the Web, lack of aptitude for the production of mass quantities of content, and general shortage of sufficient technological sophistication to create enterprise-strength solution for Web-server delivery. However, companies that were providing low-quality learning shut down, others quickly sold their venture. The survivors won the right to another round by reinvesting themselves.

The lesson: Opportunities in the new Web economy are staked out by learning portals and acres of bland learning content. Mass aggregations of e-Learning content not designed to serve specific business purposes and offering little instructional quality have no value.

Conclusion

e-Learning is one of more the intensively researched subjects and has been very attractive to tertiary institutions. However, e-Learning has promised a lot in the field of education and training. e-Learning programme developers and users therefore have to be cautious when implementing e-Learning. The lessons learnt by the DotCom companies should be used to develop a proper instructional design model. Miller (2002) also mentioned top ten lessons from the DotCom melt-

down that could be used. However the expectations about e-Learning should calm down as there are still issues that need to be sorted out before proper e-Learning implementation can take place. These are:

1. Nothing changes overnight.
2. New stuff doesn't replace old stuff.
3. Too early to market? Too bad.
4. Many startups were fundamentally uncreative and un-Internet.
5. We all, like sheep, will go astray (with enough pressure).
6. Free is folly.
7. We used narrowcast to broadcast.
8. The R50 million rule can kill.
9. It's difficult to build chicken and egg simultaneously.
10. Prediction tools must improve.

These above mentioned lessons can be used to ensure that e-Learning programmes are sustainable. Through-out the years electronic learning material have been developed and improved upon, e-Learning history or past, present and the future can be illustrated by phases of e-Learning development. These phases provide the trends of the development and improvement of e-Learning, there are lesson learnt in the process; as illustrated in Figure 1.

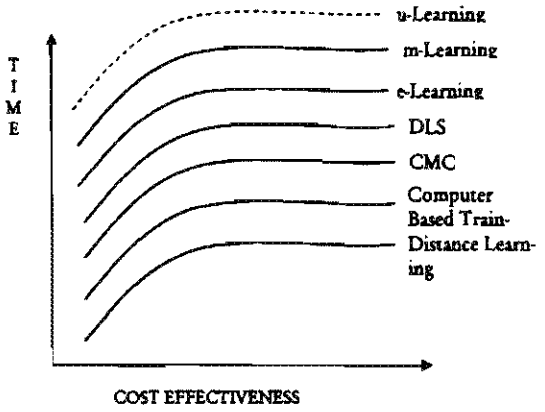

Figure 1: e-Learning phases of development

The figure above graphically displays what the authors envisage would happen in the educational landscape based on the theory presented in this article. The model above predicts that electronic modes of delivery would be cost-effective and that some modes of electronic delivery would be more cost-effective than others. However, it should be kept in mind that the actual predictive power of this model should still be researched in a follow-up study.

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