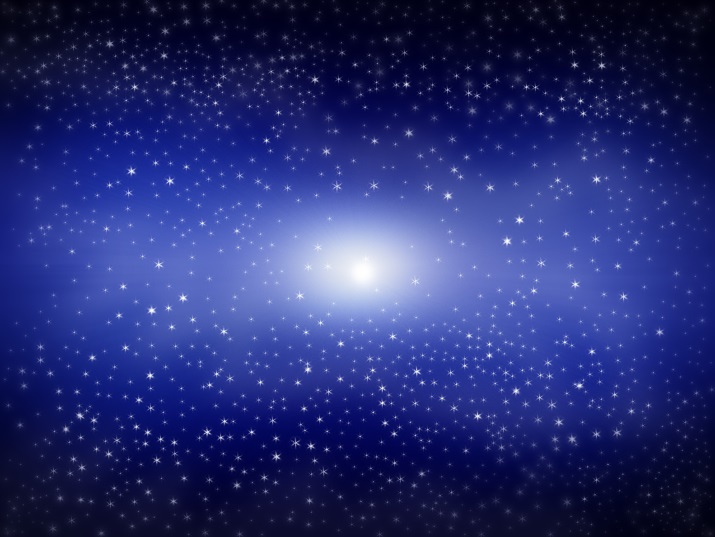
|  |  |
| --- | --- |
| Entry Title (Number) | Final Reflections (#8) |
| Date | 17-Apr-2015 |
| Course/Module | OMDE606, Web 2.0 |



Like every other semester of the MDE program, it seems like I’m registering for my class, blink my eyes and the course is over. This semester was no different.

In my past life as an IT professional, I learned that computers, since they are designed & created by infallible people, do not always behave as expected. During pre-week, I was under the incorrect impression that this course would reveal the immutable secrets of cost analysis. But cost drivers, just like computers, are not always easy to capture and explain. It should have come as no surprise to me that costing, a methodology created by infallible people, does not lend itself to easy execution or yield perfect results.

The projects and discussions did help me gain a better understanding of cost analysis. Again, Greville Rumble’s text and visit were invaluable resources. As to the final project, my group started strong and kept going strong. Meeting attendance was high, there were great conversations throughout and everyone was persistent in getting the deliverables together.

A final thought is from a CNBC article I found online during the course of the project. The American Bar Association has approved a blended law program offered by William Mitchell College of Law in Michigan (Landsman, 2015). While other programs have offered online offerings, this is the first online offering that has been approved by the bar (Landsman, 2015). Half of the program is in the classroom and half online (Landsman, 2015).

The motivation? One that is very common to any DE practitioner, increasing access and revenue:

"We were thinking of new ways to expand access to legal education. We saw technology becoming increasingly important to the practice of law," [Greg Duhl] said. "With the decline of lawyers and law students, we were looking for new avenues to attract students" (Landsman, 2015, para. 5).

This quote confirms that the skills I am learning as part of MDE are skills that will be demand in the coming years.

REFERENCES

Landsman, S. (2015, April 5). Digital cracks the final frontier: Law school [Blog Post]. Retrieved from http://www.cnbc.com/id/102528663

|  |  |
| --- | --- |
| Entry Title (Number) | Learning Success Redefined (#7) |
| Date | 10-Apr-2015 |
| Course/Module | OMDE606, Costing Educational Media |



“As one might expect, aligning training initiatives with strategic business initiatives is imperative” (Berge & Donaldson, 2008). This brought me back to Wick, Pollock, and Jefferson (2010) who write that “Business leaders want learning professionals…who understand their specific business, who can clearly and succinctly explain the business model of their company or division and its more important business drivers and challenges” (p. 31).

6Ds encompasses a set of tools and philosophy of partnering with business subject matter experts to develop effective learning solutions (Wick et al., 2010). 6Ds to me is like ADDIE on steroids. You are defining not just the learning solution. You are articulating the concrete outcomes that the business expects as well as how improved performance as part of participation will be measured (Wick et al., 2010). 6Ds also redefines participation to include not just the design/delivery of events or courses but also what should happen prior to and afterwards (Wick et al., 2010). Prior to participation in the training, we need involve the learner’s management and the learner’s themselves to set the stage for success. Afterward, we need to provide performance support tools to help learners take the training out of the classroom and apply it to their jobs (Wick et al., 2010). One final thought: “To date, companies around the world have been able to demonstrate that adding a transfer management system to a learning or development program enhances participants’ efforts to use what they learned, facilitates interactions with their managers, accelerates performance improvement, and increase the return on investment in the program” (Wick et al., 2010, pp. 189-190).

I hope this brief discussion of 6Ds inspires you to learn more at <http://www.the6Ds.com>.

**REFERENCES**

Berge, Z., & Donaldson, C. (2008). Cost-benefit of online learning. In W. J. Bramble, Panda, S. (Ed.), *Economics of distance and online learning* (pp. 205-224). London: Kogan Page.

Wick, C., Pollock, R., Jefferson, A. (2010). The six disciplines of breakthrough learning. San Francisco, CA: Pfeiffer

|  |  |
| --- | --- |
| Entry Title (Number) | OMDE 606 Highlights (#6) |
| Date | 29-Mon-2015 |
| Course/Module | OMDE606, Reflections |



*Image courtesy of www.replicatedtypo.com*

Greville Rumble’s visit is definitely one of the high points for me in this class. The same clear, thorough, straight forward discourse I’ve come to enjoy in his book was very much evident in his posts. I particularly enjoyed the discussions he would have with Thomas as we would benefit from their differing perspectives. He was very gracious with his replies even though I continually misspelled his name ☺

My second highlight has been the start of the group assignments. Mary Anne took the lead and started the discussion. Within 24 hours every team member had not only checked in but asked germane questions and made significant contributions. I found it ironic that we I saw the official get started post from the teaching team, our team had already gotten the ball well and truly rolling. Way to go team 2!

|  |  |
| --- | --- |
| Entry Title (Number) | Distance Education Challenges (#5) |
| Date | 21-Mar-2015 |
| Course/Module | OMDE606, Cost Effectiveness of DE Institutions |



*Picture Courtesy of The Open University of Isreal*

I found some of the insights from the Guri-Rosenbilt video very interesting.

The first was that teaching was the primary focus of conventional education until the 19th century (Guri-Rosenblit, 2008). Ironic since today research is the culminating activity to obtain advanced degrees, not teaching. However, the timing for the rise of research makes a lot of sense as positivism emerged in the 19th century (Harasim, 2011). Positivism was responsible for the development of theories that ask “why?” or “how?” and then seeks to answer those questions through evidence based study, drawing on empirical data and verifiable facts (Harasim, 2011).

The second insight was an interesting contradiction. Guri-Rosenbilt (2008) talks of how Distance Teaching are expanding from their local area to the global market and that English is the language of the academic instruction and research. A fact which is not really based on language statistics - there are more Chinese and Spanish speakers than English speakers (https://www.ethnologue.com/statistics/size).

**REFERENCES**

Guri-Rosenblit, S. (2008). Challenges Facing Distance Education in the 21st Century: Implications for setting the research agenda. Paper presented at the 5th EDEN Research Workshop, Paris. Retrieved from mms://vod-dun.u-strasbg.fr/vod/2008/1020\_eden/20081020\_eden\_guri.wmv

Harasim, L. (2011). *Learning theory and online technologies*. Routledge, Taylor & Francis Group.

|  |  |
| --- | --- |
| Entry Title (Number) | Traditional vs. Activity Based Costing (#4) |
| Date | 4-Mar-2015 |
| Course/Module | OMDE606, Techniques of Cost Analysis |
|  | |



Costs are caused by products in traditional accounting while activities cause costs in activity based accounting (Rumble, 1997). Since the focus is on activity, the relative value of those activities in relation to the value they provide to customers can be identified (Rumble, 1997). Overheads are also brought under more scrutiny (Rumble, 1997).

Activity Based Costing (ABC) exposes the relationships between activities and resource consumption and profits (Cooper & Kaplan, 1991). The how and why of improvements are explained by ABC (Cooper & Kaplan, 1991). Profit analysis based on customer, product line, brands or regions are revealed though ABC (Cooper & Kaplan, 1991). The data that ABC can provide to organizational leaders should be used “as a guide to reprice products or customer transactions, to alter product and customer mix, or to perform activities more efficiently” (Cooper & Kaplan, 1991, p. 135).

Activity based costing was established in the late 20th century (Wikipedia, 2015) and is the new kid on the block in contrast to traditional cost based accounting. It will take time for protocols and procedure to build up around Activity based costing as well as it to earn its own place in the field of accountancy.

**REFERENCES**

Cooper, R., & Kaplan, R. S. (1991). Profit priorities from activity-based costing. *Harvard Business Review, 69*(3), 130-135. Retrieved from https://hbr.org/magazine

Rumble, G. (1997). *The costs and economics of open and distance learning* [Adobe Digital Editions Version]. Retrieved from Amazon.com

Wikipedia. (2015, February 26). Activity-based costing [Web Page]. Retrieved from <http://en.wikipedia.org/wiki/Activity-based_costing>

|  |  |
| --- | --- |
| Entry Title (Number) | Social Discount Rate (#3) |
| Date | 21-Feb-2015 |
| Course/Module | OMDE606, Techniques of Cost Analysis |
|  | |

****

Reading the course notes about social discount rate was confusing to me. So I went back to the Rumble text to seek more clarity: “The social discount rate acts in must the same way as the *opportunity* cost in private enterprise. An opportunity cost is the value of that which must be given up to acquire or achieve something” (Rumble, 1997).

Approach for including the opportunity cost in deprecation per Rumble (1997):

1. Determine the replacement value of the item
2. Determine the useful life of the item
3. Divide the replacement value of the item by the number of years of life to obtain the cost of depreciation for each year of use
4. Multiply the undepreciated portion by the interest rate to obtain the opportunity cost of having resources invested in the undepreciated portion of the item
5. Add the annual cost of the depreciation and the annual interest foregone on the remaining investment to obtain the annual cost

So I went back to the example from the course notes to double check how this works using Rumble’s approach. The course example is a computer that cost $2000 and is depreciated over 5 years. The simple depreciation is $2000/5 = $400.

1. Determine the replacement value of the item: **$2000**
2. Determine the useful life of the item: **5 years**
3. Divide the replacement value of the item by the number of years of life to obtain the cost of depreciation for each year of use: **$2000/5 = $400**
4. Multiply the undepreciated portion by the interest rate to obtain the opportunity cost of having resources invested in the undepreciated portion of the item:  
   **Year 1: ($1600 \*.05) = $80  
   Year 2: ($1200 \* .05) = $60  
   Year 3: ($800 \* .05) = $40  
   Year 4: ($400 \* .05) = $20  
   Year 5: ($0 \* .05) = $0**
5. Add the annual cost of the depreciation and the annual interest foregone on the remaining investment to obtain the annual cost  
   **Year 1: ($1600 \*.05) = $400 + $80 = $480  
   Year 2: ($1200 \* .05) = $400 + $60 = $460  
   Year 3: ($800 \* .05) = $400 + $40 = $440  
   Year 4: ($400 \* .05) = $4000 + $20 = $420  
   Year 5: ($0 \* .05) = $400 + $0 = $400**

Going back to the Rumble definition, the total social discount rate or the amount that is given up by the organization in order to own the computer is $2200. This does not jibe with the course notes which has the total at $2,415.

**REFERENCES**

Rumble, G. (1997). *The costs and economics of open and distance learning* [Adobe Digital Editions Version]. Retrieved from Amazon.com

|  |  |
| --- | --- |
| Entry Title (Number) | Total Productivity Factor (#2) |
| Date | 13-Feb-2015 |
| Course/Module | OMDE606, Human Capital |
|  | |

****

“It has widely been observed that increases in national output have been large compared with the increases of land, man-hours, and physical reproducible capital” (Schultz, 1961, p. 1). Schultz (1961) attributes human capital as the input that fills the gap in understanding where the additional output comes from.

Total Factor Productivity (TFP) is another explanation for this gap. Human capital is one part of TFP. Technology and social capital complete the TFP mix. “Most output growth can be accounted for by input growth, but that the variation in output levels and growth rates is mostly accounted for by variation in [Total Factor Productivity] TFP levels and growth rates” (Taylor, Tamura, & Mulholland, 2013, p. 320). “Economic performance across regions differs not only in traditional factor endowments (labour and physical capital), but also mainly in technological, human and social capital” (Dettori, Marrocu, & Paci, 2012, p. 1411). Dettori, et al. (2012) characterize technological, human and social capital as components of Total Factor Productivity.

**REFERENCES**

Dettori, B., Marrocu, E., & Paci, R. (2012). Total factor productivity, intangible assets and spatial dependence in the European regions. *Regional Studies, 46*(10), 1401-1416. doi:10.1080/00343404.2010.529288

Schultz, T. W. (1961). Investment in human capital. *The American Economic Review, 51*(1), 1-17.

Turner, C., Tamura, R., & Mulholland, S. (2013). How important are human capital, physical capital and total factor productivity for determining state economic growth in the United States, 1840-2000?. *Journal of Economic Growth, 18*(4), 319-371. doi:10.1007/s10887-013-9090-4

|  |  |
| --- | --- |
| Entry Title (Number) | Measuring Human Capital? (#1) |
| Date | 4-Feb-2015 |
| Course/Module | OMDE606, Human Capital |
|  | |



At the core, capital has two components. The first component: “to enhance the productivity of other factors of production” (Capital, 2015). The second component: “the reward following from this enhancement” (Capital, 2015).

In this article, Schultz explores how human beings can be considered as a form of capital. Human beings enhance productivity as “the knowledge and skill are in great part combined with other human investment, predominantly account for the productive superiority of the technically advanced countries” (Schultz, 1961, p. 3). The return: “the resulting increase in earnings” (Schultz, 1961, p. 8).

“Economists have long known that people are an important part of the wealth of nations” (Schultz, 1961, p. 2). I agree. The challenge for me consists of a way to meaningfully measure the productivity.

When I received my undergraduate degree in Computer Science in 1982, I could measure the reward portion of the equation in the form of my higher paycheck. However, quantifying my actual productivity has been a struggle throughout my career. How meaningful were my achievements in terms of my organization’s productivity? My employer, at times, stressed the accuracy and quality of my work as more important than filling a “quota.” At times the opposite situation existed. In my experience, enhancing productivity can appear subjective, a metric at the whim of my supervisor or the larger organization. Unfortunately, once subjectivity walks into the front door, it seems to me that measurement walks out the back.

**REFERENCES**

Schultz, T. W. (1961). Investment in human capital. *The American Economic Review, 51*(1), 1-17.

Capital. (2015). In *A dictionary of business and management*. Retrieved from <http://www.oxfordreference.com.ezproxy.umuc.edu/view/10.1093/acref/9780199234899.001.0001/acref-9780199234899-e-934?rskey=fm2mwc&result=1>

|  |
| --- |
| OMDE 606 Online Version at http://joannedeitsch.com/?cat=33 |