Magazine, Kaplan to offer business degree

Kaplan University is partnering with Newsweek to grant business degrees, in what the companies say is the first time an online school has been branded with a media company's name.

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Online university executives have been betting for a decade they can sell higher education at a profit by treating students more like consumers -- with a heavier emphasis on market research than traditional universities.

Kaplan University turned that thesis up a notch last month by announcing a partnership with Newsweek magazine to grant business degrees, in what the two companies say is the first time an online school has been branded with a media company's name.

The premise is unorthodox: A weekly news magazine and its journalists will help train the next titans of industry.

Both businesses are owned by the Washington Post Co., allowing Kaplan's "Newsweek Master of Business Administration" to create the kind of cross-promotional synergy Disney uses in marketing its ESPN celebrities at its theme parks.

Kaplan University, based in Davenport, Iowa, employs about 1,000 in Fort Lauderdale, its largest office. Most of its 24,000 students -- including about 550 South Floridians -- take classes solely online. Typically, the company targets working adults. Kaplan Inc. also owns its namesake test preparation business, a brand it used to bolster the online university.

Kaplan's $26,000 MBA program will not be the only branding experiment in for-profit higher education.

The Miami Ad School has allied with the highly regarded Miami advertising firm Crispin, Porter + Bogusky. CP+B employees design curriculum, teach classes and host internships for the school. The ad school has classroom space in the offices of four international ad firms.

Kaplan's competitor, the University of Phoenix, announced Tuesday it will pay $7.7 million a year for the rights to name the football stadium used by the Arizona Cardinals.
"So cool: an invisible university with no traditional campus and no football team has a football stadium," said James Twitchell, an English professor at the University of Florida who wrote *Branded Nation: The Marketing of Megachurch, College Inc., Museumworld.* "Buy the husk, forget the kernel."

**BUSINESS RELATIONS**

Business schools often have corporate names attached -- such as Nova Southeastern University's H. Wayne Huizenga school -- but they are usually the result of donations rather than business relationships.

Kaplan and Newsweek are launching the new business program in November. Andy Rosen, Kaplan's president, says the school will use breaking news stories -- supplemented by online chats with journalists and original source documents -- to create current case studies for students.

Connecting a news magazine and a business school does not strike everyone as entirely relevant.

"It seems to me that if it was even something like the Economist, which just seems to have a little more gravitas . . . there would be a bit less tension between the idea of an MBA and the idea of a publication," said Andrew Lynch, senior brand planner with Mullen, a Boston advertising firm.

The Washington Post Co. does not own any business publications, but Rosen insisted the Newsweek name tested better than business magazines in company marketing surveys. David Harpool, Kaplan's provost, said the company talked with publishers of other magazines outside the Washington Post Co. before settling on Newsweek, but he declined to name them.

**SHARING CONTENT**

It is unclear how much the content will differ from Kaplan's other online MBA program, launched last year without the corporate tie-in. Kaplan professors, not journalists, will decide how to use magazine content in the classroom, said Richard M. Smith, Newsweek's chairman and editor in chief. Just one of the magazine's 250-member news and editing staff will devote a significant portion of his job to the school, Smith said.

"We're not trying to turn Newsweek reporters into business school professors," he said. "We're trying to add depth and dimension."

But one thing is clear: The magazine and the school are looking for ways to share their products. Smith will host a series of interviews with corporate leaders that will be video-taped, transcribed and published in some editions of the magazine, shown to Kaplan students and sold separately in an abridged form at Newsweek.com.

'That might be called 'leveraging your content over multiple platforms,' but I would never say that," Smith joked.

Kaplan test preparation and Newsweek already publish a college rankings guide together. Smith said Newsweek's entry into higher education will not affect how it covers universities, except that it will be less likely to write about Kaplan.
CONVENIENCE, QUALITY

Harpool said the online education industry is changing. Seven years ago students were looking purely for convenience; now, they want quality too, he said.

Older, more established universities have also begun pitching convenience with their MBA programs.

Both the University of Florida and Northwestern’s Kellogg School of Business bring professors to South Florida to teach in weekend executive MBA programs. UM and Florida International University also offer a menu of MBA options.

Executive MBA programs bring in lots of money because most students pay full tuition in the belief they will get better jobs, said Thomas LeBlanc, provost at the University of Miami.

But a program’s reputation tends to matter more for these students, because they are depending on employers believing their degrees are worth more than others.

And MBA programs from nonprofit schools that teach classes in person continue to rank much higher in the national guide books and surveys that help shape those reputations. Last week, The Wall Street Journal released its annual rankings of MBA programs, derived from surveys given to business recruiters. Older schools, the University of Michigan and Dartmouth, topped the list.

ACCREDITATION

The Journal, like many other guides, does not rank MBA programs that are not accredited by the Association to Advance Collegiate Schools of Business, the major accrediting body for business schools. The Newsweek-Kaplan guide also focuses on traditional universities.

Kaplan’s MBA programs do not have specialized business school accreditation, though the overall university has a general accreditation.

“We think there might be a day where we seriously take a run at” AACSB accreditation, Harpool said.

Still, AACSB accreditation might not be a “good match” for Kaplan because the school relies primarily on part-time instructors and it’s generally harder for online schools to qualify, Harpool said. He said research shows employers are increasingly accepting online schools.

Arthur Kraft, chairman of AACSB’s board of directors, said his organization has revised its rules to make it easier for online schools to fit in under its standards.

Hurdles include a requirement that more than half the professors demonstrate a commitment to research.

Worldwide, 528 schools have the specialized AACSB accreditation.