



Leading Learning Podcast Episode 258

Celisa Steele (00:00):

Society needs this sector. A vibrant third sector of education is integral to society. The third sector makes the present possible, and it also provides learners with the resiliency to make the leap to whatever the future brings. And it provides learners with the skills and knowledge and insight needed to help shape that future, hopefully for the good of us all.

Jeff Cobb (00:27):

I'm Jeff Cobb.

Celisa Steele (00:28):

I'm Celisa Steele, and this is the Leading Learning Podcast. We're kicking off the new year of the podcast with a seven-episode series dedicated to the third sector of education.

Jeff Cobb (00:43):

Over the course of this episode and the six that will follow, we'll define the third sector of education. Through conversations we've had with thought leaders and practitioners working in the third sector of education and our own understanding of the learning landscape, we'll explore the sector's role in the world today and the challenges and opportunities it faces now and in the years just ahead.

Celisa Steele (01:07):

Our hope is that this look at the third sector might spark some ideas for you, the listener—that is, we hope you'll be an active listener, attuned to the possibilities and implications in what you hear.

Jeff Cobb (01:21):

Celisa, we're calling this series, the surge of the third sector. Let's talk here at the outset of episode 258 about the third sector of education and what we mean by the term.

Celisa Steele (01:34):

And what we mean is highly relevant as the third sector of education is a term you coined, Jeff, and I picked up on the term too, and we've both been using it for several years at this point. So given that it's your term originally, it seems you should get first shot at explaining it.

Jeff Cobb (01:52):

Well, sure. To explain the third sector of education, let's talk about the other two sectors. The first sector is the pre-K through high school system that serves children. Then the second sector covers higher education that grants degrees to the lucky among us. Both those sectors are well-

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available at www.leadinglearning.com/episode258.*

known here in the United States and in most countries around the world, though the nomenclature may differ.

Jeff Cobb (02:16):

The third sector of education though is less familiar, but it's definitely not new. That third sector serves the millions of adults who continue to learn and grow in the decades that follow their secondary and post-secondary education.

Celisa Steele (02:33):

Many providers make up the third sector. There's corporate learning and development, learntech companies, even social networking companies like Facebook and LinkedIn, there's community education, and, of course, there are learning businesses, which is where Leading Learning focuses.

Celisa Steele (02:50):

Learning businesses are a key part of the third sector of education, and they include academic continuing education units, training companies, solo edupreneurs, and trade and professional associations. No matter the organization type, what learning businesses have in common is that they are all in a market-facing business that sells education and learning products to adults.

Jeff Cobb (03:15):

I'll just underscore what you said, Celisa. The third sector and learning businesses, while they're tightly linked, are not synonymous. The third sector is bigger. Learning businesses are one part of the third sector—a very important part in our opinion but not the only part by any means.

Celisa Steele (03:32):

We're calling this series the surge of the third sector because, while the sector isn't new, we've seen it growing in size and importance in recent years.

Jeff Cobb (03:43):

Now, one indicator of the growth is the financial investment we've seen in the sector and the mergers and acquisitions that are happening too. It's in ways becoming reminiscent of those dot-com days back when we first got our start in the whole learning world, Celisa—though I think it's probably a lot more rational this time.

Jeff Cobb (04:03):

But if you look at what's going on, I'll just name some of what we've seen. There's a lot more going on than this, but, for instance, investment in the learntech sector. We saw Thinkific, one of the emerging learning platforms, course platforms, get \$22 million in investment. LearnUpon got \$50 million. Bizzabo, which is focused on that virtual events market, which just exploded, of course, with COVID coming along, got \$138 million. Udemy, which I often describe it as kind of the Amazon.com of online courses, got \$50 million in investment.

Jeff Cobb (04:38):

And then we're seeing acquisitions—and we expect to see a lot more of this—roll-ups that are happening in the sector. So Community Brands, a big player in the association world, bought

Pathable, which is another big virtual events provider. Symphony Technology bought EthosCE, an LMS provider, and CadmiumCD, which is focused on events.

Jeff Cobb (05:01):

We had Open LMS buy eThink—eThink, one of the big Moodle and Totara companies that's out there. And then Learning Pool bought Remote Learner, which is another one of those big Moodle companies that's out there. So a lot of investment, a lot of mergers and acquisitions going on, obviously a lot of focus on the potential in this third sector.

Celisa Steele (05:24):

So we have that kind of investment and that M&A activity. Those attest to the growing interest in the sector and attention to the sector, but what's driving the growth that's behind that interest and attention? Well, we see five developments that have really kind of coalesced, emerged in recent decades, and these have laid the foundation for the growth in the third sector.

Celisa Steele (05:49):

So let's just quickly cover those five developments. First, we'll talk about shifts in human life and work. Humans in general are living longer—though I do feel like I should note that the pandemic will likely cause a drop in life expectancy. Final data for 2020 isn't in yet, but life expectancy may drop by three full years in 2020, that's per the Centers for Disease Control.

Celisa Steele (06:15):

But still, overall, the trend on life expectancy is likely to continue upward. And, of course, then we're no longer likely to do the same thing over the course of our now longer working lives. We change jobs and even careers more frequently. That's driven in part by technology. We have automation and artificial intelligence that are replacing jobs or, I think more commonly, altering responsibilities as we humans harness technology to do our work.

Jeff Cobb (06:47):

So definitely a lot changing in the world of life and work in general. And then, second, in recent years, we've seen a lot of advances, of course, in underlying technologies. The growth of mobile devices, for example, broader internet availability, and faster Internet through technologies like 5G mean more people than ever have the ability to learn anytime and anywhere. And I'll note I just got my first 5G-enabled cell phone, so I'm sure it's going to revolutionize my own world.

Celisa Steele (07:19):

And then, third, we've seen an incredible surge in content in recent years. In 2020, YouTube users uploaded 500 hours of video every minute—500 hours every minute. And that's just one type of content (video) on one platform (YouTube). That same surge is happening across the Internet, and that sheer volume of content exacerbates issues around search and trustworthiness. How do people quickly and easily find the most relevant, reliable content when there's so much information out there? How do they find the signal in all the noise?

Jeff Cobb (08:00):

A question we're all going to be increasingly asking ourselves and certainly a place where learning businesses, as we've said many times before, have a critical role to play. Now, fourth,

neuroscience and the science of learning have really made tremendous strides in recent years—or at least what we know about these things.

Jeff Cobb (08:18):

Scientists have given us previously inaccessible insight into what happens to the brain as it learns. That insight has helped us understand that the old model of finishing your education at, say, age 18 or 22 or even 28—or any fixed time, really—is nonsensical. At this point, it's kind of a non-starter. Humans need the time for spaced learning and effortful retrieval—that's effortful to say!—and time to apply what we learned. Learning is a process, not an event. And, of course, it's a lifelong process.

Celisa Steele (09:00):

And then, fifth and finally, we have an even more recent development, the COVID-19 pandemic. The upheaval and disruption of the pandemic has sharpened the need for many organizations and individuals to be able to learn and adapt quickly, to pivot to new business models or new jobs or new careers, as the old ways of doing things became unsafe or unviable.

Jeff Cobb (09:28):

These five developments—shifts in human life and work, technology advances, the surge in content, strides in neuroscience, and the pandemic—these developments all contribute to the growing need for the third sector of education. We need education that supplements or even replaces traditional four-year university degrees whose half-life and costs are making them increasingly hard to justify.

Jeff Cobb (09:58):

We need the third sector to help provide access to education that fits the needs of working adults with families who can't necessarily put their career on hold while they devote a couple of years to full-time study or who can't uproot a family to move to live near a physical campus. We need the third sector to help us learn about and leverage new technologies like artificial intelligence.

Jeff Cobb (10:24):

We need the third sector to help us prepare for new careers and jobs—ones that may not even exist right now. And we need the third sector to help us remain in our current roles too. We need the third sector to help learners navigate the changes and find the most relevant resources in a sea of information.

Celisa Steele (10:45):

Yes, definitely, and everything you said, Jeff, boils down to this: Society needs this sector. A vibrant third sector of education is integral to society. The third sector makes the present possible, and it also provides learners with the resiliency to make the leap to whatever the future brings. And it provides learners with the skills and knowledge and insight needed to help shape that future, hopefully for the good of us all.

Celisa Steele (11:26):

Because the third sector of education is made up of many players and each player brings a different perspective, we are incorporating other voices into this series.

Jeff Cobb (11:36):

Four conversations are part of this series. I speak with Casandra Blassingame, chief executive officer at the International Accreditors for Continuing Education and Training, or IACET. Given IACET works with a range of providers of continuing education and training spanning many disciplines and fields and given IACET's role in developing and managing the CEU, or continuing education unit, we knew Casandra would add a valuable and broad perspective to our look at the third sector.

Celisa Steele (12:09):

I speak with Nigel Paine. Nigel has had a long career that's intersected with the third sector at many points. He's been involved in corporate learning for over 20 years, and from 2002 to 2006, he headed up the BBC's learning and development operation. He's written three books in the last five years, including *Workplace Learning: How to Build a Culture of Continuous Employee Development*.

Celisa Steele (12:35):

He co-hosts the From Scratch podcast on workplace issues, and he's a presenter for Learning Now TV, a live-streamed Internet TV channel for those focused on corporate learning and performance. Nigel also teaches in the chief learning officer doctoral program at the University of Pennsylvania. So he has a lot to draw on when commenting on the third sector. And he also brings a non-US perspective. Nigel is based in London, and he's consulted with companies, large and small, in over 30 countries.

Jeff Cobb (13:08):

I talk with LaTrease Garrison, executive vice president of the Education Division at the American Chemical Society. ACS has more than 150,000 members, making it the largest scientific society in the world. As you might imagine, keeping up with the professional development and education needs of that many scientists is a significant challenge.

Jeff Cobb (13:31):

We've had the good fortune to know LaTrease for a number of years now. She's been on the podcast before, and she, once again, has invaluable perspectives to share on professional education, lifelong learning, and the role of organizations like ACS in the third sector.

Celisa Steele (13:48):

I talk with Michelle Weise, entrepreneur in residence at Imaginable Futures and author of *Long Life Learning: Preparing for Jobs that Don't Even Exist Yet*. That latest book of hers does an excellent job of looking at the shortcomings of the current educational system. And, thankfully, she doesn't stop at cataloging those shortcomings, but she posits five guiding principles that the new learning ecosystem we need should incorporate.

Celisa Steele (14:17):

Michelle worked with and wrote with Clayton Christensen, AKA "the godfather of the theories of disruptive innovation," and she applies his term *nonconsumers* to the context of lifelong learning and, in fact, focuses a lot of attention on nonconsumers. *Long Life Learning* is a book that's based on hard numbers, and it draws on a ton of interviews conducted with adult learners trying to navigate the third sector.

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Celisa Steele (14:45):

Michelle has also been on the podcast before, but, with her new book—which I highly recommend—and her career that’s been dedicated to those left behind and left out by traditional degree-focused options, we knew that she’d have invaluable perspective to share on the third sector, and so we asked her back. You’ll get to hear from all four of these folks—Michelle, Casandra, Nigel, and LaTrease—in upcoming episodes in this series.

Jeff Cobb (15:12):

We’re also pleased to share that Blue Sky eLearn is the sponsor for this series. Blue Sky is a company committed to learning businesses and has a long history working to help providers in the third sector.

Amanda Davis (15:26):

For nearly 20 years, Blue Sky eLearn has been transforming the way organizations deliver virtual events and educational content. Blue Sky’s customized cutting-edge solutions connect hundreds of organizations to millions of learners worldwide.

Amanda Davis (15:41):

These include their award-winning learning management system, Path LMS, Webinar and live streaming services for short events to multi-day virtual conferences, and learning strategy and development solutions. These robust, easy-to-manage solutions allow organizations to easily organize, track, and monetize educational content.

Celisa Steele (16:04):

We’re truly grateful to Blue Sky eLearn for helping to make this series possible. And we’re grateful for Amanda Davis, vice president of continuing education solutions with Blue Sky eLearn, who you just heard tell us a bit about Blue Sky, and Liam O’Malley, vice president of association solutions at Blue Sky eLearn. Both Amanda and Liam talked with us and shared their perspectives on the third sector.

Jeff Cobb (16:29):

When he and I were talking about the possibility for more partnership and more conscious integrated work among different providers in the third sector, this is what Liam had to say.

Liam O’Malley (16:40):

There’s definitely a trend, years-, maybe decades-long trend at this point, of opening up accessibility of things that have traditionally been just a bit less accessible in terms of education, in terms of networking, in terms of connection. And I think that technology, the World Wide Web, Google, a lot of those trends can be largely attributed to them, where once upon a time bodies of knowledge of certain industries might have required more investment to get to, more effort to achieve.

Liam O’Malley (17:29):

As you mentioned, the Udemys, the value of the content that’s out there, even looking at university, college, academic-level stuff, a lot of that, I think, has just become more accessible overall. And there’s something of the...maybe *crumbling* is too harsh a word, but the crumbling of the ivory tower a little bit, where this stuff is more freely available, which I think is a great thing. But I think that organizations can sometimes get caught flat-footed because of it. I know

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that that can be again, especially in the association space, that can be a big threat to their membership numbers, to their dues numbers because they're no longer providing an exclusive access level to something that once was much more exclusive.

Liam O'Malley (18:23):

So when you say, "What awareness level do those folks have?" well, some of them are very aware, and some of them, for example, in the legal space, providing CLEs, it's a highly, highly competitive area now where there are lots of for-profits out there that are providing content that is CLE-accredited, where someone can just go, drop in, get the numbers they need, and they're good to go, whereas that type of education might have been a bit more exclusive prior to this era.

Celisa Steele (19:09):

Liam means accessibility not in terms of usability for people with disabilities—though that's important, and I know accessibility for people with disabilities is very important to Liam and Blue Sky—but he's focusing on accessibility in the sense of the general, public availability of content, things not being locked behind a paywall or tethered to a two-year degree but content that's broadly available.

Celisa Steele (19:36):

And he's right that broader accessibility has huge implications for the third sector and how providers operate and succeed, how to stand out among the noise created by the surge in content freely available, how to demonstrate value versus free offerings.

Jeff Cobb (19:55):

Amanda made an interesting point when asked about the level of awareness among players in the third sector of the other players.

Amanda Davis (20:04):

I do think that there are some blinders out there especially with organizations who are member-based organizations, where a part of their revenue may come from education, or maybe it's just a value-add to their membership. I think that the organizations that I see and have strategic conversations with who are aware are those who it's a big dollar, it's a big line item on their P&L, and so they are very aware of who their competitors are, or at least in essence who their competitors are.

Amanda Davis (20:43):

However, when you really dig into that, a lot of them are like either, "Oh, there's so many, I can't even tell you," or, "Oh, here are the couple that we pay attention to" because they're so closely aligned. Whether it be mission, vision, delivery, whatever that is that is in alignment.

Amanda Davis (21:05):

Those are usually regulated CE spaces, your bar organizations, your CPA organizations, your medical organizations, those are really going to know a little bit more. I think there are a certain amount of associations out there who are...how do I say...sticking their head in the sand a little bit to this competitive landscape. They are holding strong to, one, we are going to be everyone to everyone so we're not really great for anyone. And, two, we're just going to do our in-person

events, and they're going to survive and everybody's going to come, and it's going to be fine. The world will open up.

Amanda Davis (21:51):

And I think that those are the organizations that are going to have some real concerns over the next couple of years because they're not going to have withstood this change, this shift, these new expectations that the learners are going to have. I don't believe that in-person will be going away. There will be a time and a place for in-person. However, I do believe that really embracing this delivery, this modality is almost a make or break at this point for these organizations.

Celisa Steele (22:37):

I'll touch on a couple of things that Amanda brings to mind for me. First, the fact that sometimes organizations think they're more knowledgeable about their competitors and the other options their learners have than they truly are. Organizations that are really attuned to the third sector landscape have the potential to see and understand not only competitors but also potential partners and allies. And to see that maybe their biggest competition is not another education provider but the chance that learners might choose nothing. They might opt to be nonconsumers as Clayton Christensen calls them and as Michelle Weise borrows his term in her book.

Celisa Steele (23:21):

And then, second, the impact of the pandemic. Amanda talks about how COVID drove many organizations to up their digital game—or to start offering online learning if they weren't already. But there are also some who resisted and insisted on the way things have traditionally been done. They're sitting out. They're sidelined for the moment. And I think she's right to say that that choice will cost them. Online delivery does seem make or break.

Jeff Cobb (23:53):

Both Liam and Amanda's comments get at some of those fundamental developments that are driving the rise of the third sector. Liam is looking at accessibility and how that openness changed and is still changing the value proposition for many learning businesses.

Jeff Cobb (24:10):

And Amanda is right, I think, to suggest that there's room for more nuance and understanding of the sector among many organizations. It may be worth questioning whether you really truly understand the alternatives and options available to the learners you wish to serve.

Jeff Cobb (24:34):

Because we believe in the power and value of questioning, we have a couple of questions we want to invite you to reflect on. First, what's your learning business's awareness of the third sector of education?

Celisa Steele (24:49):

Second, how might a deepened awareness of the third sector help your learning business?

Jeff Cobb (24:55):

That first question, “What’s your learning business’s awareness of the third sector of education?,” that’s your level set. It’s a simple question to help you and your team reflect on how you fit into a broader landscape. That second question, “How might a deepened awareness of the third sector help your learning business?,” that can help prod you and your team from reflection to possibility and action. It might suggest new products or services. Or make the case for sunseting a product given greater awareness of competitive offerings. Or it might show opportunities for partnerships and joint ventures.

Celisa Steele (25:34):

Or something else. We truly intend these questions to be generative, not closed or directive. We don’t want them to lead to facile answers. We hope that considering these questions will open up possibilities. These are questions that may take months to answer not minutes.

Jeff Cobb (25:53):

In the meantime, you can find show notes for this episode at leadinglearning.com/episode258, along with a transcript and a variety of resources.

Celisa Steele (26:04):

At leadinglearning.com/episode258, you’ll also see options for subscribing to the podcast. To make sure you don’t miss the remaining episodes in this series, we encourage you to subscribe, and subscribing also helps us to get some data on the impact of the podcast.

Jeff Cobb (26:21):

And we would be grateful if you’d take a minute to rate us on Apple Podcasts. Celisa and I personally appreciate it, and those reviews and ratings help the podcast show up when people search for content on leading a learning business. Just go to leadinglearning.com/apple to leave a review and rating.

Celisa Steele (26:39):

Lastly, please spread the word about Leading Learning. In the show notes at leadinglearning.com/episode258, you’ll find links to us on Twitter, LinkedIn, and Facebook.

Jeff Cobb (26:50):

Thanks again, and see you next time on the Leading Learning Podcast.

[music for this episode by DanoSongs, www.danosongs.com]