

NARRATOR: The Online Business Exchange was a two-day live event presented by the Business School at the Open University. During the event, there was live chat and forum discussions. The live chat is now closed, but we hope you enjoy the video that follows.

[MUSIC PLAYING]

INTERVIEWER: Good morning, and welcome to the Online Business Exchange. Well, this is our second day of Business Exchange, where we're taking four key themes-- finance, sales, marketing, and supply-chain management-- and we're looking at all of those in the context of a digital economy.

Now, we've had people from around the globe are joining us throughout the day as we've been debating these issues yesterday, talking about what they mean for your business and what some of the implications are in terms of the future of operating in the digital economy.

Now, there are various ways that you can interact with this event. You can access the Watch and Engage through the Watch and Engage section on the website. Now, what that will do is that will give you an interface where you can both see this video stream, and you can also chat. So you can ask questions. You can talk to other people, share experiences, and put questions to our panel who are in the studio.

You can also select from the widgets and tell us where you are, what size business you are involved with, what sectors of this programme are of most interest to you, and what the digital economy means to you. So you can choose those widgets, select each one as you go through, complete the fields, and then just press Return. So it's very, very self-explanatory. But if you are stuck, there's a Frequently Asked Questions section on the website that you can go to, and that will fill out any explanations that you may need assistance with.

We also are very active on Twitter, and the hashtag is #ou_exchange. You can email us. That email box on the website is manned, so if you've got any questions, do let us know. But we're very much hoping that your participation will shape some of the dialogue that we're going to be having throughout today's session.

So we asked you how you're feeling. It's very early in the morning here in the UK. It's 9:00 o'clock. We're just getting ready. The weather is lovely, which, as many of you will know,

pleases us British people. So let's see how everybody out there is feeling, for those of you who selected the widget. We've got excited, happy, joyful-- wonderful-- interested, ready to chat. Lovely. So thank you for filling your thoughts. And we do hope you are ready to chat, because that's a large part of what this event is all about.

Now, if you are in the watch-only button, you won't be able to chat. You won't be able to fill in that widget and tell us how you're feeling. And if you'd like to change and select that option, just go back to the website. You'll be guided through in a very self-explanatory way. And if you don't have an Open University computer username, you can get a free, quick, and easy-to-get OU visitor account, and that will enable you then to access all of those widgets and chat to other people also.

So I hope that explains the event, but I will be running through, because we'll have people joining us throughout the day. You can pop in and out as you choose to. And I'm just going to give you a little bit of a run-through about what we've got planned. Our first session, I'm joined with Devendra Kodwani in the studio, and we're going to be talking about the digital economy and how that matters in a financial context. I'll be giving you a little preview of some of the MOOC that the Open University Business School are involved with and telling you about those. They're starting very soon. And they're an excellent way to get a little bit more insight and expand your skill base.

We're then going to be taking a look at small businesses. Now, we know from these widgets that we asked people about yesterday that people are often involved in very large businesses or very small businesses. And some of you are entrepreneurs out there wanting to know how to push things forward globally. So that will be hopefully of a lot of interest to you.

We're interspersing some of these live sessions with chat-based sessions. And again, you need to be in the Watch and Engage function to be able to interact with that. But I will also mention that we're having Yammer discussions. So when you registered for this event, you'd be invited to join our closed network. And when you go to Yammer, you'll be able to see what people are discussing and add to the various threads. And there's a coffee shop there also, if you would like to chat. So please do keep filling those in as well.

We're then going to have a look at digital supply chain management with Bjorn Klaus and Rob Moore, followed by some live chats about digital creativity, innovation, co-creation, and open-source technologies. That's with Julian Cooper. And then Devendra will join me again, where

we'll look at management challenges and opportunities in a digital economy. I hope that that will be of lot of interest to you. So do let us know if you've got any specific questions that you'd like us to cover.

We're then going to be having a break where the Yammer discussions will be operating, and we'll draw together a lot of those threads when we come back in the evening for some live chat. At 4 o'clock, we're taking another look at digital supply chain management, following up from Rob and Bjorn's earlier session. Then we're going to be looking at customer insight tools and application with Julian Cooper, and that will be done in conjunction with traditional marketing research methods. Again, there's been a lot of talk about that, so I imagine that will be of a lot of interest to you.

Carol is then going to come back and do a chat on digital engagement of small businesses. So that will be interesting if you joined her earlier session in the morning. We're then going to be doing a video with Elizabeth Daniel on running online home-based businesses, again, of interest to a lot of people who've expressed ideas around innovation with apps, et cetera.

We're then going to be looking at video with customer-driving or customer-driven organisational approaches to sales with Julian Cooper, followed by some chat. And then finally, we're going to look at finance in a digital economy with Jonquil Lowe and Will Brambley. So a very packed session, all looking at all of those four themes.

But I'm going to welcome Devendra. Welcome to the studio, Devendra. You're the Associate Dean, from the Business School, for Teaching and Learning. And you are heading up these MOOCs, which are very, very exciting and I imagine will be of a lot of interest to people. Can we talk a little bit about the exciting developing times with some of these, and why the Business School are investing in some of these ideas?

DEVENDRA

Yes. I think the Business School sees itself in an exciting phase of its growth and development.

KODWANI:

The Business School has been around for 20 years, and we have transformed the management education over time. We were the first pioneers to offer distance learning management education. And the proof of our effectiveness has been that we had 25,000 MBA alumni who had done our MBA through part-time and distance learning.

So we just want to carry on that pioneering role of inventing and innovating in the curriculum design and delivery of management learning. So MOOCs offer that opportunity for us, and we want to grab that opportunity, shape that opportunity to best serve the modern times, where

people are time-poor in their daily work, busy life. But need for learning has not disappeared. Professional development still is needed for the [INAUDIBLE].

So how do you reach out to those busy executives, busy employees, or self-employed people to find those few hours in a day, one hour in a day, a few hours in a week, where we could fill it up with meaningful management learning experience? So this is where we see MOOCs helping us to serve that audience who are time-poor, but desperate to get something about management. What are the new things happening in management learning? And we want to offer that opportunity through MOOCs.

INTERVIEWER: Excellent. Now, we've got four here in terms of the digital economy suite. There are obviously a lot more, and the Open University works with FutureLearn to develop a lot of these. And there are others available as well. But I was particularly impressed with this suite, because there are nice, like you say, bite-sized chunks where executives can gain that education in tandem. But you're doing something quite different here, because you're allowing people to complete these, to get certificates, and to compile those towards credits for an MBA. Now, that's an interesting idea.

**DEVENDRA
KODWANI:** Yeah. I think this is, again, a path breaking for us in the Open University, and probably we are one of the few within the UK higher education sector to come up with a solution that people not only gain the knowledge that they want from free learning resources. But if they want to convert that informal learning of bite-sized chunks into formal learning whereby they can actually get a higher education qualification or contribute to a higher education qualification, we have decided to design this as a programme.

So what we are offering through FutureLearn is a programme which comprises four MOOCs of 12 hours each, each lasting four weeks each MOOC. And once people complete it-- and people like learning independently through MOOCs-- they can then come along to Open University, and we will take them through a formal assessment process which will take them through to an MBA programme.

And so these MOOCs could be the basis for earning 15 credits into our triple-accredited, high-quality distance learning MBA programme. So it's kind of a taster to higher education, management learning of the highest quality you can get on the independent learning platform, and then bring it into the university education if you wish to.

INTERVIEWER: Excellent. And this idea of assessment as part of the programme, getting these certificates and combining it towards a point-based credit, effectively, is this something that you see in terms of the future of the way that MOOCs are going? Because they are very credible. They're a great source of knowledge from the various esteemed universities throughout the world. Do you think that this idea is going to shift the HE sector?

DEVENDRA KODWANI: I think it will be an important complement to HE sector. It may not completely shift the whole way of higher education, but I think it will be significant enough that most universities will not be comfortable ignoring this development. I think it offers a great opportunity for people. The sector will have to innovate further that we should be able to acknowledge the credits from one another, so that people can pick and choose a wide range of topics from all over the world. And big universities are coming into it.

So in that sense, it is a quite significant seismic shift. Because so far, we have seen consumer is king in the consumer markets, but it is not far that in future, we will have a student as a king in the higher education sector, where they will be able to pick and choose bite-sized chunks from high-quality institutions. And if we understand, as a peer in higher education, that how these transfers can work, people will have an amazing variety of experiences, which they can bring together through assessment vehicles into a formal qualification.

INTERVIEWER: To what extent are these MOOCs? I mean, when they started, a lot of it was to provide a taste. It was to say, look at our institution. This is the way that we do distance learning, effectively. And a lot of universities-- I mean, the Open University is at the forefront of providing distance education-- but a lot of universities were doing this.

Some people were saying, well, this is a very clever marketing tool. Because of course, you start doing these MOOCs, and you think, that's great. I really like the way you're teaching. Maybe I'll go on and study with you. And so this idea, then, of providing course credits toward something gives people an effective taster, really, doesn't it? It's a very clever way of marketing.

But it also gives people something that they can tap into in terms of their current business. So who do you imagine might be involved with these MOOCs that we're going to talk about? Do you think it's people who think, I'm interested in studying, but I'd like to have a taster? Or people who think, actually, I'd really like to know a little bit more, for example, about success through market segmentation?

DEVENDRA KODWANI: I think it will be both. To begin with, it will probably be people who want to just acquire knowledge for professional development for managing their own businesses more effectively. And I think one thing common in this audience would be that they would be time-poor, and they want not to commit for a long period of time and don't commit significant financial investment into learning. So going to be the key audience.

But it will eventually evolve into a formal, structured approach to learning. So more and more people will take time. A great thing about MOOCs is that you don't commit more than four weeks in one go in these modules, courses. So you can take a break after four weeks, and then come back, and so on.

So the flexibility that this offers, in terms of where you want to study, how you want to study, when you want to study, is quite extraordinary. So over time, I guess more people would prefer-- in mature economies, in developed economies, people are trying not to come off work. So people who like to stay and work and continue learning. Loans are becoming expensive. Commitment to higher education for three or four years is a very expensive proposition. So this allows you to spread the cost if you wish to come into formal sector.

So it will evolve as a mature market. I think we're in a very early phase of how this revolution in learning and higher education is going to shape the future of higher education. But first, people who want to develop their professional skills and capabilities to run their businesses more effectively.

INTERVIEWER: Excellent. Well, we asked our audience what they were doing, whether they were working full or part time. And we've got the results from that feedback now. So we can see that 50%, half of them, are working full time. And then the other are split between 25% working part time and 25% studying, which is very interesting. So I imagine for those reasons, this should of quite a lot of interest.

DEVENDRA KODWANI: Yeah. 3/4 of people, as we've just seen, are in work. And for them, it is not possible to go out for one year, or four weeks out of business, to do a professional development programme. And that's where these MOOCs will fill in that requirement in need of people. Yeah.

INTERVIEWER: Excellent. Well, let's talk about them. Because they're starting on the 15th of August. And as you say, they're over four weeks. It's about three hours a week, isn't it?

DEVENDRA Yeah. It is about three hours a week, total 12 hours' commitment to the experience that they

KODWANI: would go through. And these are very high-quality, what you would study in an MBA classroom. So yes, it is a commitment of three hours. And that is an opportunity as well as a constraint. Because then in 12 hours, you can't put too much material. So it's true. In one sense, we want to design something that is self-contained, so you walk away with something which is tangible, practical, usable theory and application to knowledge, application of theory to the workplace. So yes, these are short, four-week, three-hours' commitment per week modules.

INTERVIEWER: Excellent. And they're pretty much looking at some of the threads that we've been looking at within this Online Business Exchange. They're all based on-- this is the Digital Economy Suite. And there are others, as I've said before, both from the Open University Business School as well as other suppliers. The first one I wanted to talk about was success through market segmentation. And this is the first one that's starting on the 15th of August. So could you tell us a little bit about this and who this might be of interest to?

**DEVENDRA
KODWANI:** Yeah. If I carry on what I was saying about who might study these modules, the concept of segment becomes important here. So you can see we are talking about who will be interested in MOOCs. So we are trying to understand which segment of learners is interested in MOOCs.

Now, it's the same concept when it comes to a business person to understand who are their customers. Thousands of people go through a supermarket, but actually, there is not 1,000 individual same customers. They are different customers. So for a business to run effectively and meet the requirements of different customers, you need to understand how they are not the same. How are they different? And you could segment them in a way that better serves the customers, and you can meet their requirements more effectively.

So conventional segmentation happens through age profile, the income profile of people, the tastes around it, gender, and so on. But there's a lot more which has come in marketing theory now, which tries to understand how the segmentation can be an effective tool for successful marketing plan, successful sales plan, and so on.

So this particular MOOC, in a short 12 hours, tries to introduce the concept of a segment. And then how do you utilise that analytical framework of marketing called customer segmentation to inform your judgement decisions about marketing? So my colleagues are coming during the day later on to talk a bit more about each of these MOOCs, so they will go into more detail. But essentially, it is trying to understand the customer profile better so that you can serve them

better.

INTERVIEWER: And tell me, does this cover just big businesses, or would it be appropriate for people with smaller businesses?

**DEVENDRA
KODWANI:** I think this is appropriate for all levels of business, because the principles of marketing and segmentation are equally applicable not only in the commercial sense. I would say not just small size and big size. Even charities need to understand, for example. And governments are wanting to understand how voters behave. Or the public at large wants services. What kind of public services do they want? So I think the knowledge of segmentation is quite applicable universally across sectors, but definitely for the commercial sector. Small-sized business people will find us as useful as any large corporation manager would.

INTERVIEWER: Excellent. Thank you. And then I like the way these are staggered, because I can imagine people would start them and then continue. The next one, then, is starting on the 12th of September. And this is on selling through customer insight.

**DEVENDRA
KODWANI:** Yeah. Again, you can see that there's a theme in these Digital Economy Programme MOOCs which we have. So three of them are more focused on customers. How do you deliver value for the customer? So the second one which you mentioned, Selling through Customer Insight, tries to develop understanding of the learner on what is it marketing knowledge, the psychology of consumer behaviour, telling us about customer?

And therefore, you will go into the data analysis tools. How do you mine what they call big data, databases, to understand customers better? So it is deepening your understanding of customer, which is what this MOOC is trying to deliver, which complements understanding of segmentation? So both together become a very powerful analytical framework which people can just take away from 24 hours of time and start applying to their small- or large- or medium-sized business. And again, this is designed for four weeks, three hours a week, starting sometime in September.

INTERVIEWER: Lovely. Excellent. And the next one, then, is on finance of business growth.

**DEVENDRA
KODWANI:** Yes. Now, you can't do without finance, can you?

KODWANI:

INTERVIEWER: Well, you would say that.

[LAUGHTER]

DEVENDRA Well, I am a biased teacher of finance, yes.

KODWANI:

INTERVIEWER: And this is one you've been quite involved with, isn't it?

DEVENDRA I've been quite involved in this MOOC, because I looked at the material which has come up
KODWANI: through our colleague who has written and developed the content, Dr. Jane Hughes. So in this MOOC, you're trying to understand, I think, four different pieces of finance. And it's quite distinct in that sense, because within 12 hours, if you can cover four key aspects of finance, it is great.

So first part is to understand how do you use finance knowledge to take investment decisions-- investing in projects and so on. It also talks about how do you analyse the cash flow situation? Now, you would be surprised, if you are not a finance academic, to know that the largest proportion of failures in small-scale businesses happen because of poor cash flow management or cash flow problems.

So it is very, very important that people understand the cash flows-- not just the profits, but the cash flows-- of a business, particularly in small and medium enterprises. This is the largest proportion of-- largest reason for the failure. And this MOOC does that. So it brings you close to what is cash flow, how do you understand, how do you manage it. How do you manage working capital, for example? So that is another part of this MOOC.

And then there's a third part about raising finance. So it talks about what are the implications if you raise a loan versus capital from equity suppliers, shareholders, or bank, or a syndicated consortium. So it talks about cost of funding. And then it goes towards an innovative way of raising funding, which is called crowd funding.

So within 12 hours, you get exposed to four key aspects of managing finance, cash flows, and raising finance. And I think it's a great module. I loved reading it. And hopefully more people will join it and benefit from it, because I think it is one of the very important aspects.

INTERVIEWER: Absolutely. Can you tell us, just while this one is close to your heart, what's the experience, then, in terms of these three hours? How are those sort of split out for the week? How might someone actually interact with this MOOC, for example?

DEVENDRA KODWANI: Right. Now, the MOOC experience has got three or four elements which are part of a learning experience. So you read very small amount of text on a screen, or you can print if you wish to. But then for each, there are-- the MOOC is split into various steps, so 20 to 30 steps. And each step is a very short step.

So you read some text. In many cases, you'll have a short video of two or three minutes to listen to an expert or to actually an entrepreneur and how they manage that kind of a situation. And then you have several activities. By participating in those activities through the forum, the online discussions, and quizzes, you will consolidate your learning. You will learn from other learners. So that is another part of discussion. So that [INAUDIBLE] includes the provision of time for discussion also, for doing quizzes also. It's a quite rich experience. It's not just reading and reading online, which can be boring.

INTERVIEWER: Yeah. Very multimedia.

DEVENDRA KODWANI: Yes. And then you can assess yourself whether you learned or not. So you take an assessment at the end or a week, which is graded. And if you want to get a certificate or something out of it, then you need to get 75% correct.

INTERVIEWER: Right. Excellent. So there's a lot there that people can do. The one thing that I like about MOOCs is that you need to register by a certain date. You start, then, with this cohort of learners. You exchange ideas, et cetera. But you also can have access to some of those resources afterwards.

DEVENDRA KODWANI: Oh, yes.

INTERVIEWER: So that's a nice thing to take away.

DEVENDRA KODWANI: Yeah. Once you register, the resources will be there always for you. But the good thing about doing it in a go over four weeks is that you will have some facilitator from the Open University or from FutureLearn who can pick up some of the conversation if people are not able to respond, and so on. So it's better to go through that in a sequential way--

INTERVIEWER: Absolutely.

DEVENDRA KODWANI: --to benefit from support from the cohort. But of course, resources will be available to you way beyond the completion of the module.

INTERVIEWER: It's a wonderful combination of something very broad and global with something very local in terms of an individual who really is guiding learners through that process.

DEVENDRA Yes.

KODWANI:

INTERVIEWER: Great. And the final one, then, which is effective supply-chain management, and that starts on the 21st of November.

DEVENDRA Yeah. Now, supply-chain management is a very interesting topic. It has always been there.

KODWANI: When I did MBA, used to call it distribution management. Now it's called supply-chain management, because it really is a chain here. And the key aspect of running a business is where do you save money? Where can you minimise the cost of running businesses?

So supply chain is one of those areas where you analyse where is the cost being incurred. So you will have a purchase price of a product if you are a business person. But then buying from the supplier and getting it to the customer is a large range of activities that happen, and each of those activities costs you something. So you need to understand where are the cost builders, cost drivers, during the supply chain from the manufacturer of a good through to the customer. And if you can economise on that, become more efficient, then you can save cost and therefore maximise your profit.

A good example, you can see, is a lot of innovations have happened in supply-chain management. People might have heard of Amazon trying to deliver books or other products that they sell through drones. So if you have a drone, that means you're cutting down on several steps of supply chain, and it can reduce cost in many ways.

So whether it is a book being supplied or takeaway from restaurant that uses drone. So a restaurant person can use technology. And this is a digital economic wonder, because drones are not just flying machines, but they're also using digital platforms. So whether it's a vendor who is sending a takeaway for a dinner or Amazon sending you books, they're using the same supply-chain principle. So this MOOC is going into better understanding of supply-chain management and reducing the cost for the business. So it's an amazing new field that is emerging now.

INTERVIEWER: Excellent. That's absolutely fantastic. Thank you. I imagine a lot of people be signing up for those. So people can then visit that link on the website, sign up for those. And then what

happens before they start?

**DEVENDRA
KODWANI:**

No. Once they start, they had to sign up for the programme. Because signing up for the programme, they don't need to worry about somebody reminding them, because they'll get automatic reminder for each of those MOOCs. And they start with the first MOOC on the 15th of August. They go through it. If they want to buy the certificates of achievement, they would buy it from the FutureLearn.

And once they complete all four MOOCs and acquire the certificates from FutureLearn, they can come to Open University, sign with us for an assessment of this knowledge and understanding that they have got, and we will take them through a very structured, supported, online learning experience. They can study it from anywhere in the world. And once they complete that assessment, they'll be able to get 15 credits, which go into our MBA programme. So it's a great journey to take on.

INTERVIEWER:

No, it's absolutely fantastic. Thank you for going through that in so much detail. It's wonderful. So back to this event. I'd just like to end the session by thinking about some of the ways that people can interact with us and some of the chats. And for a Business Exchange, this is a very new, very innovative idea. And we've got a range of platforms that people can use to connect with us.

We can also see a lot of people working full time, and we're asking people which sectors they're most interested in. Yesterday, for example, sales and marketing were a key concern. So I just wanted to know what sorts of things are you hoping are going to come out of today? What sorts of things do you think people could raise in the chat boxes? What are some of the things that you think people might be using to connect with each other on Yammer?

**DEVENDRA
KODWANI:**

Yeah, I think some of the things people will discover and connect with is how does technology affect their business? They can share their own experience of technology and digital economy so far, how it has affected their business. They could discuss, for example, how the transactional relationship between customer and supplier has changed.

So these days, you need not even see the supplier. Everything happens intermediated by technology rather than human. Is there an implication of disappearing in human interface? What happens in goods and services businesses, where very human interface is very important? Let's imagine buying jewellery. The jeweller would try to talk to you in a different

way. Or selling photography, digital photography, those kind of businesses where human interface is very important. So what happens to those businesses? How do they leverage technology?

I mean, I have recently seen, having visited a photograph of a portrait for my wife. And now, that was a very human experience of going into the studio. But after that, it was all digital. We were getting proof through digital, a sign-off will be digital, payment will be digital. And of course, he may use drone to deliver me the album.

[LAUGHTER]

So you can see that while technology will enable, in some cases, a more human interface, in other cases it will reduce the human interface. So what are the challenges for businesses in that context? Meetings, for example-- will the travel change? Will executives less travel? How will negotiation-type of meetings take place in business? Even if you buy from China, you need to talk to them. So will technology enable those kind of negotiations more online, and so on.

So people will be discussing some of those things. People may discuss per small-scale, saying, how does small-scale business get affected by the digital economy, and larger-scale? I'm sure some of the common threads would be payment systems are common for all of us. The employment contracts, et cetera, will become digital. You will have to process pensions and whatever digitally.

So professionals like accountants, they will be filing most of the things these days digitally. So it's a relationship between various stakeholders in business. I think they'll be discussing that. How do relationships between various stakeholders in business get affected? At the end of the day, it's going to be human experience. Business is still going to retain that human aspect of it.

INTERVIEWER: Yeah. It's so important, isn't it, as we're streamlining so much of this process, that actually, that human interaction is what really matters at the end of the day. Thank you. Well, we asked you at home what size of business, because we have a section coming up on small businesses. And the results are going to be shown to you here.

So 40% are working for micro and small businesses. Very interesting. Well, we hope that these next sessions do appeal. And if you haven't been able to vote for that, we're going to have a chat break now. So you can reconnect through the Watch and Engage function, going back to the Online Business Exchange website, and you'll be guided through that.

We're also, before the next session, going to show you a little video about how to use the interface so that you can see what you're missing out on if you aren't able to access that box. And if you are having any technical problems, the email box that is on that website is manned, so do you get in touch with us, and we'll do our utmost to help connect you with us here.

Devendra, thank you very much for that session and for outlining all of those MOOCs. Sign up now. All the links to that are on the website. And we'll see you in about half an hour, when we join our next session, which will be looking at small businesses. I'll see you soon.

[MUSIC PLAYING]