

Form 2: Industry Analysis

Educational Services – Community Colleges – NAICS Code 611210

Identify at least five organizations that might be potential partners for your doctoral project. Explain why each is a plausible candidate as a partner for your ADP.

1. Drake State Community and Technical College: <https://www.drakestate.edu/>
Drake State is a plausible candidate as a partner for my ADP because:
 - It is a local community college in my area.
 - It is one of the smallest community colleges in the state and consequently, has access to the least amount of resources. I believe this would make it an ideal candidate for pro bono doctoral research.
 - It serves the most racially diverse student body of any community or technical college in my area (Alabama Commission on Higher Education, 2020).
 - I serve on a Business and Accounting Advisory Committee for Drake State where I represent my University and provide insight and feedback on Drake's business and accounting programs so I have existing knowledge of and a relationship with the school.
 - Drake's current president recently served as Dean of the College of Education at my university so we are familiar with one another and have an established level of professional respect and trust.
2. Calhoun Community College: <https://calhoun.edu/>
Calhoun is a plausible candidate as a partner for my ADP because:
 - It is a local community college in my area.
 - It is the largest community college in my state and would likely have the most experience partnering with external resources to conduct research.
 - I serve on a Business Advisory Council for Calhoun where I represent my University and provide insight and feedback on Calhoun's business programs so I have existing knowledge of and a relationship with the school.
 - I was once a student at Calhoun Community College and have a personal connection to the school and its faculty.
3. Wallace State Community College Hanceville: <https://www.wallacestate.edu/>
Wallace is a plausible candidate as a partner for my ADP because:
 - It is a local community college in my area.
 - It is one of the largest community colleges in my area.
 - It provides health care and technical education to a large proportion of professionals in the state.
 - It is one of the top five feeder schools to my current university so I have several established contacts at the school.
4. Northwest-Shoals Community College: <https://www.nwscc.edu/>
NWSCC is a plausible candidate as a partner for my ADP because:
 - It is a local community college in my area.
 - Over 75% of its student body utilizes financial aid.
 - It has two campuses which likely results in additional research opportunities.
 - It has a successful workforce solutions department that provides training and education for area businesses and industries.
 - It is one of the top five feeder schools to my current university so I have several established contacts at the school.
5. Northeast Alabama Community College: <https://www.nacc.edu/>
NACC is a plausible candidate as a partner for my ADP because:
 - It is a local community college in my area.
 - It serves a predominantly rural area in the state.
 - It produces a large number of first responders (nurses, EMTs, paramedics, etc.).
 - It is one of the top five feeder schools to my current university so I have several established contacts at the school.

Write the following sections in proper format with doctoral-quality writing in tone, style, and content. The work written here will be included in Chapter 1-Problem Identification of your Applied Doctoral Project in a future ADP course (BADM-754).

Identify the major competitors in the industry. Provide sufficient detail about the organizations, how much of the market share they have, their competitive advantage, and so forth.

Community colleges compete on a number of fronts with the two most significant being for students and for government funding. They also face a number of competitors and those competitors can vary based on the community college's location and offerings. To understand where the competition lies, it is important to understand the role of community colleges. Community colleges provide society with workforce development, human capital formation, local and regional economic development, technical and vocational training, and community service (Mintz, 2019). They also provide education to a diverse population. Community colleges represent a large percentage of minority undergraduate students including 57% of Native American students, 52% of Hispanic students, 42% of Black students, and 39% of Asian/Pacific Islander students (AACC, 2020).

By educating a diverse population and providing diverse services to society, community colleges face diverse competitors. Neighboring community colleges are traditional competitors because they draw students from the same communities (Reed, 2013). Four-year colleges and universities also draw students from those same communities but generally market to different student needs so the competition is less fierce (Reed, 2013).

For-profit online colleges and universities continue to grow as competitors particularly in response to the need for increasingly flexible options for working students and students with families. According to the Community College Research Center (n.d.), approximately 80% of community college students work with almost half of those working full-time. For-profit online schools also provide students in rural or isolated communities with a larger number of choices when it comes to selecting a higher education path (Reed, 2013).

While four-year public colleges and universities pose some threat to the community college industry, the major competitors are public, private nonprofit, and private for-profit two-year degree-granting institutions and for-profit four-year degree-granting institutions. In 2018, there were a total of 3,660 degree-granting institutions with first-year undergraduate students (National Center for Education Statistics [NCES], 2020). Of those, 2,330 were four-year institutions and 1,330 were two-year institutions (NCES, 2020). Of the two-year institutions, 870 were public, 380 were private for-profit, and 80 were private nonprofit institutions (NCES, 2020). Of the four-year institutions, 300 were private for-profit institutions (NCES, 2020).

Each type of institution has its own competitive advantage and commands its own share of the student market. In 2018, approximately 33.4% of all students enrolled in degree-granting postsecondary institutions were enrolled in public two-year institutions (NCES, 2020). Public two-year institutions, or community colleges, have a number of competitive advantages including low barriers to entry, low cost, high rates of job placement, and high levels of credit transferability (Chen, 2018). Private institutions, both two-year and four-year, are privately funded and operate independently so they have more flexibility in their offerings and policies (Kerr, 2019). Private institutions are generally smaller, have smaller class sizes, and include schools dedicated to a specific field or that are run on religious principles (Kerr, 2019). Private institutions account for approximately 21.4% of all students enrolled in degree-granting postsecondary institutions (NCES, 2020).

Identify new entrants in the industry. Provide sufficient detail to understand the organizations, how much of the market share they have, their competitive advantage, and so forth. And, going further than what was identified above for competitors that have been in the market for a while, share why these new entrants appeared. For example, what was missing in the market that enticed them to enter? What market niche are they filling?

There are significant barriers to entry into higher education, including the community college industry. The introduction of a new entrant into the industry will face substantial capital investment challenges including the physical or plant assets and information technology infrastructure (Dalavagas, n.d.). Strict federal and state laws and regulations, federal and local aid and funding constraints, and licensing requirements also present considerable barriers to entry into the industry, particularly for public institutions.

Private for-profit institutions face somewhat less rigorous barriers to entry and continue to be a substantial threat to community colleges. Private for-profit institutions began over 300 years ago and gained some prominence for providing education opportunities to marginalized groups throughout the years, including Blacks, women, Native Americans, and

the blind and deaf (Hodgman, 2018). These institutions continue to serve marginalized groups including a disproportionate share of adult learners, Blacks, and Hispanics (Hodgman, 2018).

Describe what product/service substitutes exist.

A number of alternative educational options exist that serve as substitutes to community colleges. Vocational, technical, trade, and professional schools can offer specialized programs that concentrate only on the skills the individual needs without the additional general education often required of an associate degree (Johnson, 2014). Non-degree certificates and badges offered by other educational institutions or professional organizations are another form of substitutes that can meet the demands of the business community (Johnson, 2014). Massive Open Online Courses (MOOCs) are college-level courses offered online for free. MOOCs are growing in popularity, standing, and availability and are offered by some of the world's most prestigious universities including Massachusetts Institute of Technology, Duke, Yale, Harvard, Stanford, and Vanderbilt (Johnson, 2014).

Describe supplier power in the industry.

The supplier power in the higher education industry is strong and rests primarily with the academics that provide instruction, research, and administrative functions. This is due to higher education being a highly labor-intensive industry and there being no credible substitutes for the service that academics supply (Aydin, 2017).

Describe buyer power in the industry.

Buyer power in the higher education industry increases as the number of available substitutes increase and as the barriers to those substitutes decrease (Johnson, 2014). Buyers in this industry include students, students' parents, and employers. The high number of educational options available coupled with the low barriers to access those options has led to buyers having increased power in the higher education industry (Aydin, 2017).

Distribution is the movement of goods and services. How do companies in the selected industry distribute their goods and services? How do the organizations within the industry compare and contrast as it relates to their distribution models?

Community colleges distribute educational services in two main formats, in person and online. The majority of community college offerings are provided in person, including during the day, at night, and on weekends to meet the needs of students. Community colleges are continuously expanding their offerings in the online format through robust learning management systems that have a wide range of capabilities and are able to cope with stresses and errors without failure. These learning management systems also allow community colleges to track data for measuring the effectiveness of courses and programs.

Explain where economies of scale exist in the industry.

Economies of scale opportunities exist in the community college industry with the most notable being that class size could be increased. An increase in class size would increase revenue from those classes with little to no increase in monetary costs. The nonmonetary costs will often prevent community colleges from making significant class size changes particularly if the school highlights small class size as a benefit of attending their institution.

References: List the references for all citations. A minimum of five sources are to be cited. Properly reference cited sources per APA 7th edition, listing them in alphabetical order.

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Note:

I will include definitions at the beginning of the chapter to define what is meant by “community college.” For the purpose of this study, it will include all two-year, degree-granting public institutions in the U.S. It is synonymous with junior college, two-year college, city college, etc.