

Special Issue on Innovation 2018

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Let's Not Get Disrupted

Abstract

Successful 21st-century Extension organizations will require innovative business models and organizational structures to meet customer needs. Although new technologies and tools that support Extension education are important, they do not serve as a vision or strategy. This commentary argues why Extension must pay close attention to its customers' needs to remain valuable and relevant in the future and describes the changes Penn State Extension has made in an attempt to position itself as a 21st-century organization.

Keywords: [disruption](#), [business model](#), [organizational structure](#), [vision](#), [digital media](#)

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Introduction

When people think of innovation in Extension, they tend to think of new technologies and tools that support the educational process. During my career of 30-plus years in Extension, I have seen many technologies come and go. Examples include slides and overhead projectors; various spreadsheet, presentation, and word processing tools; 35mm cameras; stand-alone video recorders; and programmable calculators.

New technologies, such as virtual reality, augmented reality, unmanned aerial vehicles (drones), and the Internet of Things, are arriving at an accelerating rate. Future tools for Extension professionals are yet to be developed. Although it is important to look past the horizon for new tools and technologies, technology alone should not drive Extension's vision.

Extension should base its future programs and technologies on the evolving needs of our audiences. Collins (2009) discussed the "hedgehog concept," which I believe can be applied to the work of Extension. The hedgehog concept is based on the famous essay by Isaiah Berlin, "The Hedgehog and the Fox," which described how the fox, cunning and aware of many things, can devise a myriad of complex strategies to sneakily attack the

hedgehog. However, the hedgehog knows one big thing: rolling up into a perfect little ball, and thus becoming a sphere of sharp spikes pointing outward in all directions, will repel the fox. The hedgehog always wins despite the fox's various tactics. Collins suggested that greatness, for a person or an organization, comes about by a series of good decisions based on (a) what one is passionate about, (b) what one is best at, and (c) what drives one economically. Extension's success will depend on how well it identifies these three qualities.

Tools and technologies can provide a means for meeting the customer's needs, but they are not a business strategy. A sound vision of how Extension will apply evolving technologies to education and technology transfer should anticipate what future customers will want. For an organization to realize its vision, it must design an appropriate business model and organizational structure. One of the most interesting statements I have heard from a business leader regarding visioning for a company was this: "We want to anticipate what the business that puts our company out of business will look like—and become that business."

Extension needs to be applying similar thinking. In this article, I argue why Extension needs to continuously reenvision itself and develop innovative business models and organizational structures to accommodate the resulting new visions. I also present Penn State's new approach to the design and application of educational programs.

Staying Competitive

The U.S. Cooperative Extension System is now over 100 years old. Few companies in the private sector can make a similar claim. The fact that Extension still exists is a tribute to the value and relevance it has provided to U.S. citizens. This is an amazing legacy. However, for this legacy to continue, Extension cannot assume that it will remain valuable and relevant without continued vigilance and innovation.

Clayton Christensen, in *The Innovator's Dilemma*, discussed why great firms fail due to disruptive forces and technologies (Christensen, 2011). One of his major tenets is that no company is too big or too powerful to fail. This is an astute assertion. Of the Fortune 500 firms that existed in 1995, 87% are now gone (Chew, 2012). Although individual articles show different estimates of average business lifetimes, all show that the life span of a successful company is on the decline. In fact, the average age of a Fortune 500 company is under 20 years today, down from 60 years in the 1950s, according to Credit Suisse (Perry, 2017; Sheetz, 2017).

Collins (2009) defined five stages of decline: (a) hubris born of success, (b) undisciplined pursuit of more, (c) denial of risk and peril, (d) a gasping for salvation, and (e) capitulation to irrelevance or death. During my career, I have seen Extension progress through the early stages of decline. In my opinion, a large number of Extension organizations are currently struggling in one of the last three stages. This means not that failure is inevitable but that these organizations need to look at their visions and change their business models and organizational structures to be successful.

Although Extension resides in the public sector, it competes with private sector entities. For example, a number of large agricultural input companies are developing decision support tools that collect and analyze very large data sets with the purpose of providing site-specific crop management recommendations. Additionally, many grocery stores are developing online videos and other mediums for presenting nutrition information. Extension needs to define its unique market space and its advantages over other businesses.

When asked what sets Extension apart, a common answer is that as an organization, Extension has no profit motive and, by mission, provides unbiased, research-based information to its clients. A major question I consider

is this: Does the customer really care whether Extension is unbiased if someone else's product better meets his or her need? The average consumer is not very science literate and has limited understanding of the scientific method. In a digital world, how does Extension differentiate itself from the deluge of available information sources? Without a sound vision, business model, and organizational structure, Extension runs the risk of losing value and relevance.

Penn State Extension's New Business Model

Penn State Extension engaged in a self-evaluation that included input from external and internal stakeholders. This process resulted in a new vision for its online education, business platform, and organizational structure.

With the new model, Penn State Extension sought to increase the relevance, quality, usability, diversity, access, and reach of its educational programs. The new model was designed to provide products customers want—when, where, and how they want them. Ultimately, Penn State Extension wants to assure that its brand has greater market penetration and stands for high-quality, research-based, unbiased, valuable, and relevant educational programming.

At the core of the business model is the desire for Penn State Extension to become "One Extension," not a confederation of nine academic units and 67 county organizations. To accomplish this goal, Penn State Extension has instituted major changes in its administrative structure. New Extension administrative units serve as a home for all county-based educators. Statewide program teams bring educators, faculty, and staff from academic units together to focus on major issues important to the state's industries and citizens. A new program development process helps the teams identify and focus limited resources on the most significant issues.

Penn State Extension developed and implemented an innovative new online digital education and business platform through a website redesign to support the organization's vision. An explanation of this platform can be viewed at <http://agsci.psu.edu/atlas/about/what-is-atlas>. Overviews of supporting technologies and product lines are available at <http://agsci.psu.edu/atlas/platforms> and <http://agsci.psu.edu/communications/how-to/extension-products>, respectively.

The redesign was necessary. Rader (2011) stated, "Extension's websites are so unpopular [that] those who seek research-based, unbiased information will likely not find it" (abstract). She also indicated that online searches for "extension service" declined 50% over a 7-year period whereas searches for specific information via keywords went up every year over the same period. The new Penn State design addresses the limitation of traditional Extension websites by providing predictive responses to keyword searches, thus creating a more personal user experience. Improved navigation has increased the success rate of finding content from about 40% on the old website to more than 80% with the new design.

Customers can now access all content (product types) on any topic by simply typing the name or phrase into a search box. A customer can set up a personal account, access all Penn State Extension content, and register and pay for events and purchase products online. Extension professionals have access to each customer's areas of interest and a history of the customer's interactions with Extension.

To support the new delivery model, Penn State Extension developed a more businesslike administrative structure. The structure has three major components—programs, client relations, and business operations, each led by an associate director. The programs group is responsible for the development and implementation of programs and products. The client relations group is responsible for increasing product awareness and strengthening client

relationships. The role of the business operations group is to improve operational efficiencies. Marketing specialists, technology communication specialists (instructional designers), and team marketing coordinators connect with the statewide program teams and administration to assure that relevant, quality programs and products are being developed and marketed.

Technology is important for supporting Extension's reach and accessibility, but it can be effective only in the context of an effective business model and organizational framework. Developing a new vision and organizational structure is a risk, but one that Extension needs to take if it is to continue its long legacy. The Penn State Extension business and organizational model is one offering to consider, but this new model and its implementation need to be continuously reexamined to keep pace with our customers' ever-changing needs.

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