

Our Next Chapter: An Innovation Lab

The challenges today's college student faces exist nationwide, not only in Austin. PelotonU, alongside like-minded practitioners in Boston (Duet) and Los Angeles (DaVinci Extension), have re-designed college from the ground up to prove students will thrive in a model designed to remove the structural barriers common in higher education.

An Emerging Ecosystem

With six organizations in the country operating models like PelotonU's - and three more set to launch in 2019 - we have served over 1,400 students together in 6 years. Our collective vision is that any student with the will and drive to graduate from college can earn a degree, regardless of geography or economics. But it is not enough for current practitioners to grow in our own backyards while serving similar students; we must also learn to support students, like single parents or those in rural communities, who still do not have quality college options.

As more leaders become aware of PelotonU's model, interest in bringing it to more sites grows, too. To date, PelotonU has talked with 22 leaders interested in our approach, hosted ten in Austin, and been hired by three to help contextualize and launch this model in their community. The field will grow - that's certain; whether it maintains student-centric values and reaches the variety of students who would benefit is the key question.

To address this growing demand, PelotonU will launch an Innovation Lab to **grow the national practitioner community** and **test new iterations of the PelotonU model in Austin**. This approach will refocus our direct service work to expand the quality, scope, and efficiency of the coaching model. Additionally, we will expand our technical assistance to bring this model to new organizations, laying the groundwork for faster scale and systems-level change.

Grow the National Practitioner Community

The practitioner community must grow because post-traditional students everywhere - in Wyoming on a reservation, in rural Mississippi, and in downtown Chicago - need a solution that blends flexibility and support. New entrants are waiting on the sidelines because they need a roadmap and guide to begin. By offering formalized technical assistance and ongoing training to these organizations, we can de-risk the investment for large organizations and ensure small organizations grow cost-effectively.

Test New Iterations of the PelotonU Model

To best support this national work, we're investing local resources in expanding the types of students we can serve while developing efficiencies that increase the effectiveness of our support. We must test new iterations of the PelotonU model because students in Minneapolis will need different supports than students in rural Mississippi - a bus pass rather than help with car repairs, or accounting degrees rather than agriculture.

The Impact by 2021

By 2021, we will directly serve over 500 students in Austin and indirectly serve 3,500 students through new practitioners we train. In so doing, PelotonU will ensure the current community's focus on student support and quality outcomes remains core while also laying a foundation for PelotonU to drive systems-level change and advocate for the post-traditional student experience.

This model started with three like-minded practitioners serving 50 students and has grown to six sites serving 1,000 students. The next three years are crucial to shaping the long-term impact and trajectory of the space.



Test New Iterations of PelotonU's Model

Over six years, we refined and validated the core PelotonU model - high quality, competency-based degrees alongside our support program's three features: coaching, community, and care.

With almost 274,000 adults over 25 in Central Texas who have started college and not yet graduated - 21% of the regional workforce¹¹ - PelotonU could spend the next decade serving this market with our current approach and barely make a dent in the growing need. **More of the same isn't enough.**

Instead, our Austin focus is continuously refining the core model and testing hypotheses to serve new populations. We intend to be the place where best practices in serving post-traditional students are validated and shared. This strategy both promotes equity and access within our own community while also serving the national practitioner community by testing and codifying new features, program designs, and operational efficiencies.

Hypothesis-Driven Growth in Austin

Testing has always been key to our approach. We have already tested a residential program, scholarship model, academic onboarding, employer partnerships, a second location, and serving older students.

To continue serving our neighbors in Austin while also supporting the national community, we will:

- 1. Support New Types of Student.** We intend to expand the industries within which we offer career pathways, degree options, and strategies for recruiting students, as well as supports for new student types (including single parents, veterans, the formerly homeless or incarcerated, and rural communities).
- 2. Uncover Programmatic Efficiencies.** While improving outcomes and student experience, we also plan to find new cost efficiencies. We will test new payors and revenue lines to strengthen the financial resiliency of the model and viability of partnerships to provide more effective secondary student supports.
- 3. Pilot New Partnerships.** We will test new university revenue contracts, software solutions, employer upskilling opportunities, and different physical locations. These complex integrations will further build the staff and systems to clarify the model's unit economics and execute deals that can be catalytic for the field.

This is growth for the sake of learning, informed by student feedback and national opportunities for impact. These lessons can then be integrated into our core model, given to partners, and shared with the higher education field.

2-Gen Case Study

Too often, the structure and cost of college make it out of reach for working parents. At PelotonU, however, 90% of our student-parents are persisting. Deeper digging shows that most who joined were able to because their kids were older or they had a support system that provided informal childcare.

This prompted a hypothesis to test: could we serve more parents by co-locating with a high quality childcare center? If successful, this would enable parents who otherwise couldn't enroll to earn their degree and provide valuable insights about what it takes to serve parents well - insights PelotonU could then share with practitioners in other cities and the broader higher education field.

¹¹ "Regional Demographics and Workforce," Central Texas Education Profile," E3 Alliance, <https://data.e3alliance.org/dor/>



Grow the National Practitioner Community

Forty-four organizations have contacted PelotonU to explore if this model would fit their community. We have talked with 22 to assess viability in their cities, hosted ten interested practitioners in Austin to see our model first-hand, and built key replication resources, including curriculum for academic onboarding, frameworks for hiring and onboarding coaches, and blueprints for working with new universities.

We directly supported the launch of new practitioners in four cities with three more opening this year. In 2016, IDEA Public Schools hired us to start a similar model called IDEA-U in Weslaco, Texas. Since launching in fall 2017, they have opened locations in two new cities, served over 250 students, and graduated their first 30 degree-earners.

Formalize and Expand Technical Assistance

The market is moving quickly and interest amongst funders, local partners, and institutions has accelerated. This demand has compelled us to work outside Austin sooner than we planned in order to meet demand for training new entrants and establish norms for the practitioner community.

PelotonU is uniquely qualified to train, advise, and assist others because we know the journey of starting without support and have developed the expertise and content from early consulting engagements. This background, and our strength in building communities with individualized supports, uniquely positions us to continue training others. By charging a fee for our expertise, we will also create an income stream to fund ongoing consulting beyond 2021.

To effectively train and support new practitioners, we have three key objectives:

- 1. Codify and Toolkit the PelotonU Model.** Now that the model is proven, we are creating fidelity standards through a formative evaluation. This will provide clarity on the appropriate nuances within program delivery and craft an assessment tool for ongoing improvements to the student experience. These insights will also identify the minimum coaching elements and inform a shared standard for new practitioners
- 2. Strategically Share the Model.** To reach potential program founders and attract traditional practitioners to this model, we're dedicating resources to efficiently share the model amongst interested stakeholders through an open source content and training platform.
- 3. Offer Ongoing Support For Existing Practitioners.** We will grow exposure to the model by publicizing our findings through formal and informal networks. We will also disseminate codified practices, share lessons learned from our hypotheses, and offer professional development for coaches in other cities.

Healthy growth for the field isn't simply replication of existing practices but also reproduction of culture and norms. That means growth flows from equipping education entrepreneurs with a shared set of values. This approach both catalyzes new practitioners and fosters student-centric norms and values within the system, ensuring long-term health for the emerging practitioner community.

What's more, this approach aggregates expertise in supporting post-traditional students and designs it to be shared with traditional institutes of higher education, thereby improving the broader system and forming a broad and varied evidence-base that can be used to advocate for systems-level change on behalf of post-traditional students.

Q Client Case Study

In 2016, PelotonU began our consulting work by training IDEA Public Schools to serve high school alumni who had stopped out of college through IDEA-U. We led a nine month process to contextualize the model, provided contractual and operational structures to accelerate their launch, and supported their team six months post start on coaching, financial aid, and credit transfer.

This confirmed our hypothesis that this model can be learned by other organizations and succeed with different geographies and student types. Since then, PelotonU has provided over 325 hours of consulting to 24 other organizations in various stages of the launch process.

