

Spin-off from Mobile learning, use of school resources in learning

Mikael Flovén analyzed one school in 2001 with ABC/ABM methodology. During the planning of the launch of the world's first Mobile learning service, Mikael Flovén was discussing the troublesome situation of being a headmaster with the participating schools' headmasters. It quickly became clear that they were unsatisfied with the workload, the expectations on them and that they thought that the financial information they were given didn't help them in what to do. The information came too late, was not accurate to their responsibility and they couldn't interpret the numbers to their perception of the reality. Their understanding was that they were pedagogues and not economists and they were to blame for not understanding or being able to use the financial information. Mikael Flovén, being an economist had another explanation. It was totally unusable information the headmasters were given also for an economist. This gave Mikael Flovén the idea to give the headmasters a tool to manage their business with a modern tool that would link finance with reality and to manage the school professionally.

This idea coincided with Use Your Cell's strategy to understand the alternative cost for the municipalities for Mobile learning and where they could find potential for rationalization and therefore not add to cost but potentially be more efficient with Mobile learning both in learning results and with lower total costs.

The strategy for Use Your Cell was to approach the private market and the municipalities, the private market with direct sales to those parents who wanted to give their child an advantage in learning and the municipalities' schools to complement the traditional lessons with Mobile learning with a personal trainer which can adjust the need for each individual in a way a teacher cannot possibly do.

Approaching the municipalities was also a marketing strategy to find all potential users in an easy way as well as building credibility by connecting to the actual learning targets. Use Your Cell knew that the municipalities in general had scarce resources and that understanding the financial situation in detail would be crucial in pricing.

For that reason Mikael Flovén used his professional analysis experience and skills, having an MBA and being first to have implemented ABC/ABM in full scale in a service company in Sweden, a daughter company with 3 500 employees within the Telia Group, in 1992.

It was the first time ever that a public knowledge organization as "The School" was scrutinized and all staff was asked what they did, for whom and why together with identifying the cost drivers as is the core of ABC/ABM methodology. By performing a process analysis and identifying drivers for running a school, including support from the municipalities' central entities, Mikael Flovén got a thorough understanding of the Swedish school's use of resources, cost per type of student, cost per activity and all other kind of ratios imaginable.

Having done hundreds of interviews with teachers, head masters, administrative staff and every possible role one can find in and around a school, Mikael Flovén added understanding of resources, time usage and costs with deep knowledge on how school is perceived by the students. By performing focus interviews with hundreds of students in order to find out what they believe is

quality and how they think a school best supports learning, Mikael Flovén developed a quality evaluation model in three dimensions with three basic measurements for each dimension. The student interviews showed that also the low share of the resources in learning could be much more effectively used for the students.

Use Your Cell could with the results from the analysis show how inefficient schools were using their resources and prove a great cost benefit result when using Mobile learning as a complement. The analysis could also show where and how cost reductions could be done to finance usage of Mobile learning and overall that there were a huge potential in making schools more efficient both in terms of cost per student and in quality in delivering learning to the students. As for any organization poor management were unable or unwilling to reap the benefits and execute change management in schools. At the same time price analysis with students parents showed that Use Your Cell wasn't dependant on the municipalities to commercially launch Mobile learning.

Mikael Flovén created the analysis tool Resursandel i lärande™ translated into English "Share of Resource in Learning", abbreviated "RIL", when Use Your Cell had closed down due to mental and financial exhaustion.

Based on the results from the ABC/ABM analysis of schools, Mikael Flovén created a tool box with instructions on how to do the time usage analysis, which drivers to look for, what activities and processes to use, defined the objects for schools as well as everything else needed to do an analysis of a school fast and with results that were comparable with other schools.

All excuses for a school being different like subjects taught, student categories and size were eliminated. For the first time ever it was possible to compare any school with any other school regardless if it was private, public, location and any kind of difference.

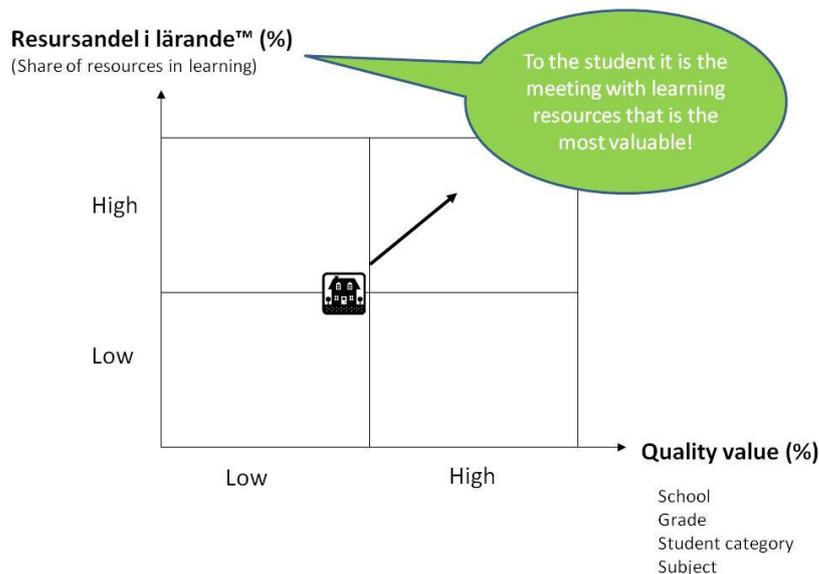
And now for the first time ever the headmaster was able to compare with other schools and relate the financial figures to reality, know what activities that were higher than other and understand why and what could be done as well as simulate effects of different actions.

Mikael Flovén felt this was a giant step and a possibility to all schools wrote a report and met with teachers' unions, politicians, civil servants within municipalities and others to show the possibilities and to show the results from the first analysis ever made.

During early 2000 the privatization of public assets had begun to speed up in Sweden. One area was schools and the debate was vivid about the effects it had on segregation, grades and profits. At the same time the Swedish results in international comparisons were decreasing. With the understanding of how resources were being used and that a chocking low 30% share of the resources were used in learning.

One example of easy to understand comparison was the core of the model, that each headmaster should aim to have as high share of the school's resources as possible active in meeting the student, i.e. in learning. And at the same time have high quality in the delivery of learning, with quality measured by the students in accordance to the three dimensions developed for RIL.

Core of the model – meeting the student



Model for RIL (Resursandel i lärande™) which explains how schools can be evaluated and what to aim for

Eventually Mikael Flovén was asked by The Confederation of Swedish Enterprise, Sweden's largest and most influential business federation representing 49 member organizations and 60 000 member companies with over 1.6 million employees, to analyze the resource utilization within Swedish schools in different locations.

Mikael Flovén started the debate in Sweden about schools' use of time, resources and the results in quality when publicly revealing that only an astonishing low 30% share of all resources was used in learning, i.e. the meeting between the student and the school for learning purposes. The use of Resursandel i lärande™ in other schools, different in location and structure showed the same results as in the previously made analysis. It strengthened the model and stressed what had been shown. The results were described in a report from The Confederation of Swedish Enterprise and seminars were held with participants coming from all over Sweden.

When Mikael Flovén made a second study together with The Confederation of Swedish Enterprise, this time including a private school, more interesting results became evident since the private schools had higher share of resources in learning and lower costs. Mikael Flovén could show that there was no such thing as "One School" not even in for public schools in the same region. Instead it was obvious that each and every school had different pre-requisites. When comparing public with private schools the structural disadvantages proved to be huge.

One disadvantage was premises for the school activities. The public school was not allowed to change location or shrink space by negotiating with the landlord, since the landlord is the

municipality itself. This was a substantial cost disadvantage and in effect tied the hands on the headmaster.

Another structural disadvantage for the public schools is the terms for teachers. The headmaster is not master of his teachers since they are allowed to spend 22% of their paid time as they please and not even have to be in school. As if that wasn't bad enough, the teacher is paid for 13% more hours every working week than is needed and the headmaster is unable to utilize the teacher on time when the students are on vacation. This is something the teachers' unions are fighting hard to prevent any change from and all other staff categories are working on normal terms for employees with a normal 40 hour week. The private schools on the contrary have started from scratch and have market adjusted terms for all employees including teachers and can also decide if the teachers should be in school or not during paid hours.

A third disadvantage, although one might say it is an advantage for the private schools is that they are compensated for a standard VAT ratio instead of the actual value. This has been clever negotiation from the private schools' organization saying it is too much work to administrate the actual values. Of course this is not the case, since all they have to do is to check one balance post in the accounting. Instead the private schools have negotiated a compensation ratio which is substantially too high compared to actual values.

Not all differences were due to structural differences. Mikael Flovén pursued the same analysis for other municipalities' schools and as previously done analysis had shown there were huge differences between teachers in the same subject in the same school. And when comparing subjects it showed totally unexpected differences in both costs and resources in learning. These non structural differences made Mikael Flovén interested in knowing more about the results in terms of share of students that passed.

When Mikael Flovén added the known results from national tests from schools it showed that almost 20% of the students didn't pass the expected minimum requirement. And this figure had been oscillating around the same figure for at least the period of ten years which has public statistics.

Mikael Flovén began writing articles about all the facts and figures combined with meeting managers and staff in both public and private schools and what from the start had been a hunch and an assumption became clear. The reasons for mismanagement of the resources in school were both structural and poor management, but almost every teacher, headmaster, other manager or union representative were blaming the students.

The results from the analysis were used in books and news paper articles and started the debate in Sweden on how The School in general and teachers in particular use their time.

With the studies of several schools that were done, including both public and private schools, it was proved that private schools cost less to run. This paired with the privatization for more than ten years in Sweden and the voucher system with the ability for the student/parent to choose school has led to financial problems within the public school and huge profits in private schools.

The reason for this development is that the public and private schools are paid with the equal amount of money per student. In Swedish the payment artifact is called "skolpeng" or "school coin"

in literally translation into English. This is where Sweden is at today, discussing profits and segregation effects of the “school coin”.

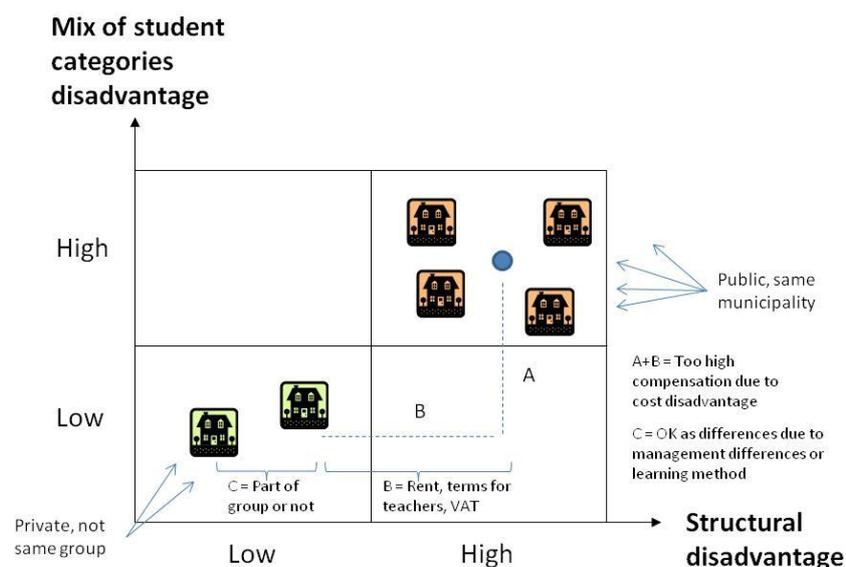
Sweden made an embarrassing error with their school voucher system and is giving away money for free. It has been a phenomenal interest to own private schools and the privatization of public schools has attracted several head masters, since they got the chance to buy the schools way below market price and even get financing from the municipality. The school market has also attracted venture capital firms to start new schools and to buy the newly privatized public schools. Today venture capitalists own a fair share of the private schools in Sweden.

Now the Swedish politicians are not disputing about having private schools as such. They are disputing the profits in private schools and especially that they are too high, but neither the state or municipality politicians understands that the reason for the huge interest among head masters and venture capital firms to own schools is that they know the School coin is too high and that they with a minimum of risk can make great profits.

The explanation to why the school coin is too high is that it doesn't take into account decisive structural differences between a public and a private school as for example what kind of pupils the school attracts, teacher contracts, rental terms and overcompensation for VAT.

And since the municipalities where the private schools establish usually have several schools and are calculating the “shool coin” based on the municipalities average cost per student, the private school is guaranteed to get too high compensation.

Comparison private and public schools and the effect of today's “school coin”



Results from analysis with RIL (Resursandel I lärande™) which explains structural disadvantages and cost differences

This is shown in the above picture where the municipality is calculating the “school coin” based on its own schools’ average cost per average student, represented by the blue dot. But since the public schools have a structural disadvantage their costs are high and the difference is represented by B. On top of that the calculation of cost per average student make the difference even higher, represented by A, since the students applying for private schools normally are more motivated and require less extra support than the students at the public schools. Due to this calculation error of the school coin a substantial proportion of the public school budget, represented by A+B, is unnecessary transferred to private schools as profit, instead of being used for pupils who need extra support to pass school.

As if that wasn’t enough the municipality nowadays is competing against venture capital owned school groups which are getting larger and are taking advantage of economies of scale, as for example creating their own teaching material for all their schools. This difference, seen as C in the picture above, is thanks to managerial differences which the public school also could handle with right management. Private schools which are not part of a large school group working this way have the same disadvantage as the public schools.

With correct calculation of the school coin, the private schools’ profits would be substantially lower, A+B to be precise, and the venture capital firms and head masters would be more or less reluctant to own a private school.

It seems to be a great international interest for the Swedish model of financing public and private schools. But before any country mimics Sweden they should understand their own costs to run a school, be able to compare schools in a correct way and ensure a model for financing that take into account structural differences and pays for a Porsche when getting one and not paying for a Porsche and getting a Volkswagen.



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