A very important milestone recently passed, one with far reaching implications and insight into our modern culture. I think I can speak for everyone when I say that it made us reflect on where we are as a society, where we once thought we were going and where we are actually headed.

I am of course referring to October 21, 2015, Back to the Future Day. This was the day that Marty McFly arrived in the future to do something convoluted because Back to the Future 2 was a narrative mess and easily the worst in the trilogy.

But that’s neither here nor there.

Apropos to this, my friend asked me, “where the hell is my flying car?” Because of course, he’s been looking forward to driving one since he saw the movie as a child, and for whatever inexplicable reason he still holds on to some of his childhood expectations. He also thinks the world should be fair. He’s always good for a laugh.

I told him that “necessity is the mother of invention.” He didn’t understand this abstract answer, and why would he? He’s the type of person who actually expected to be driving a flying car by now. I explained again in simpler, more direct language, although I didn’t slow down my speech for him because I’m not such a terrible friend… yet.

The reason we don’t have flying cars is the same reason we didn’t want to change anything in the textbook industry for so long, we have something right now that works great. In the case of cars, that thing is a large, well maintained freeway system that makes auto travel efficient. Except of course in LA or literally anywhere I happen to be at the moment. In the case of textbooks it was a functional monopoly.

The upshot is that nobody invents, nobody innovates when the status quo is just so lucrative.

So I told my friend the solution is simple – just destroy the 2.6 million miles of freeway we have (I didn’t say 2.6 at the time I looked that up for this). Elon Musk would make a flying car tomorrow, or maybe a teleporter. This obviously doesn’t look anything like a “solution” or happy turn of events. It would actually be catastrophic in the short term.

But that’s the point. That’s probably what it would take for flying cars, external pressures to render the current system inoperable. They won’t come about just because every rational person on Earth thinks flying cars are cool. As is often the case, something good only follows as a response to something bad.
Again, necessity is the mother of invention. Perhaps, a few extraordinary visionaries buck this rule but they are definitely the exception.

This brings us to Inclusive Access. Clearly, nobody who works in our organization is a visionary or genius otherwise we would have sunk everything into Uber on day one and retired by now. So like most everyone else we only innovate when pressured to do so. And that’s a good thing! If we were visionaries or geniuses we’d probably be more likely to suffer from narcissism or an unhealthy contempt for our fellow man.

**What is Inclusive Access?**

Inclusive Access loosely resembles a course fee model with some key differences that make it amenable to faculty and students, more feasible, and easily replicated on other campuses. A course fee model is a billing and distribution system wherein students are automatically given the course materials when enrolled in a course and billed for them (student account), either immediately or as in the case of Inclusive Access, after the drop date.

Also key is that Inclusive Access only deals with distributing digital adaptive materials. Flat ebooks, pdf’s and hard copies of any sort cannot be in the Inclusive Access program as it is constituted here. Programs such as Mindtap, MyEconLab, etc. qualify for the program. This restriction exists to add value to the program and is the first way Inclusive Access differentiates itself from the standard course fee model.

The fact that students are in the program immediately upon enrollment and that faculty are encouraged to use digital graded assignments dramatically increases sell through.

Then, with higher sell through numbers in tow we are able to negotiate a lower price with publishers. Along with lower margins on the store’s end, significant savings are passed down to students.

However, another key difference from the standard course fee model is the ability for students to opt out of Inclusive Access. Faculty are still encouraged to use the assignment functionality in the digital software so as to incentivize students to stay in Inclusive Access, but there must ultimately be a workaround for those few who insist on opting out.

Lastly, Inclusive Access focuses on converting courses on a case by case basis as opposed to being tied to an “all in” mindset where the entire campus needs to be converted before moving forward. Convince one person at a time, not an entire organization. Our philosophy is, don’t use the bureaucracy to effect change - that would be like Sisyphus strapping on ankle weights. The words bureaucracy and change don’t belong in the same sentence. Set the pace. Let everyone else catch up.

- Late 2013: Store participates in the NACS content Licensing Task Force. Picks up some good ideas.
- December 2013: Store sets goal to begin Inclusive Access program in Fall 2014.
- Fall 2014: 10 Courses, 3000 students in Inclusive Access
- Fall 2015: 40 courses, 13,000 students in Inclusive Access.
Financial benefits

Let’s get to the numbers because numbers in big typeface are the new way to communicate everything. If it wasn’t for a word count requirement, this entire thing would probably be done as one big infographic.

Keep in mind that these are courses with consistently lower than 20% sell through and usually lower than 10%, often even 5%. These are almost universally expensive (more than $200) titles that drive students to acquire by any other means. This could mean sharing, pirating or perhaps worse, going without the material entirely.

In other words, this is all gravy. These numbers fill a void where only lost business once existed. That’s not to say that as the program grows it will only involve such courses but these are the obvious first targets and present the most benefit.

Perhaps more significant are the student savings, usually around 70% off the new retail of the comparable hard copy. Even when factoring in used and rental price points students often come out ahead.
Non-Financial Benefits

But it’s not all about money. Students benefit in a couple different ways beyond saving money. First, engagement with the material is higher. That is after all, one of the core goals of digital adaptive learning. Learning in an environment that’s capable of offering immediate feedback more closely resembles working with a tutor than the traditional method of simply ingesting information.

Second, digital distribution can alleviate the pain point of dealing with rush. There isn’t a single student who enjoys waiting in line. Indeed, in an age of instant gratification and fast technology there may be even less tolerance for it. But that’s what textbook rush entails, lines and often long ones. It may be impossible to avoid.

For faculty, Inclusive Access addresses the major pain point of not all students having materials on day one. Often the first two weeks of class can be an irritating tango of who has what, in what edition and when it’s arriving from wherever and also “do we really need it for the midterm I know you said yes but I sort of don’t believe you.”

Digital adaptive software gives faculty greater ability to structure their class precisely, having much more control to pace the course and monitor progress to see exactly what their students are doing and when.

Some faculty may even use the software as a teaching assistant of sorts, to satisfy the broad general requirements of the course, freeing the instructor to focus on more specific, esoteric aspects during lecture.

“I found Inclusive Access helpful to my study skills. It would highlight important topics in the reading through Learn Smart... There were also quizzes at the end of each chapter that were extremely helpful by testing what I had just learned.”

-from student survey

Budget

Other than payroll, there are no additional costs, nor does the program require new staff. In fact, the more streamlined delivery of digital reduces expenses in shipping, receiving, stocking, returns and shrink.
Why it’s called Inclusive Access

We can’t use the word fees on our campus. And so we call it Inclusive Access. This seems like a flip explanation, but there’s a good reason to mention this. The mindset that this is a fee (course fee model), was so entrenched in everyone, including us, that it seemed an insurmountable hurdle. Finally we came upon the term Inclusive Access.

The strategy is, don’t call it a fee and don’t bill it like one either. In other words there has to be an ability to opt out of the charge (it can still be initially charged).

What started as a workaround actually became a lynchpin to the program. We came to the realization that it really could not work as a course fee. In the long term, we just couldn’t see justifying a mandatory fee to faculty and students, in addition to the many obstacles surrounding the creation of new fees on campus. It would not create a sustainable system and we weren’t looking for a quick and temporary fix.

Also, Inclusive Access actually stands for something more than a linguistic sidestep. Think about the current system of course materials and who is impacted most negatively. It’s the at risk students, the financial aid students with limited options who often can’t take advantage of the many cheaper
alternatives online (some of these students have a small window to buy and must buy at the campus store). Perversely, the more financially secure students have greater leeway to avail themselves of better shopping opportunities.

Inclusive Access ensures that all students get equal access to materials on day one at a reasonable cost. Again this focus on choice was brought about by necessity. If we had our druthers, would we have taken this path? One would hope so, but limiting choice has usually proven the better and therefore tempting business tactic.

Outreach

A necessary component of pushing any new program is outreach and education. Our staff took on new outreach responsibilities to spread the word about Inclusive Access.

That’s in and of itself valuable as an ad hoc measure, but a positive byproduct of this outreach is getting in front of other people on campus and making them aware that the store a) exists and b) is trying to
take the lead on solving problems such as rising textbook prices. Outreach had never been a part of our mission before. We were mired in the logistics of moving product, not integrating ourselves into the fabric and overall mission of the school.

The university’s primary concern is student success, retention, graduation rates and the like. Making a profit from the bookstore is certainly on that list somewhere but surely a distant runner up. Working at the store, it’s easy to forget our role in the larger mission, but it’s important to remember.

Potentially the end game of outreach isn’t even to push Inclusive Access, it’s to pivot the store into a new role on campus, to make it more service oriented as opposed to just another revenue arm. It’s worth exploring and possibly the right way to go. But we at the store need to get out there and talk about it in a way that changes perceptions about what it is and what it can be.

Including other stakeholders

Faculty and administrators on campus aren’t blind, they see the skyrocketing price of textbooks and consider it a problem as well. More and more faculty are moving away from paid content entirely as a response. Part of outreach is letting these stakeholders know that we are trying to address the problem.

But a bigger part is making them a key to the solution through the choice they make.

We speak to their desire to be part of the solution and give them an opportunity to do so that is convenient and doesn’t require compromising on the quality of course materials.

“*The incorporation of the homework delivery system into SmartSite allows students to see their grades instantaneously and removes mystery from the grading process.*”

- David Lang, Economics

When $1000 is greater than $1000

Some people would say that $1000 of revenue, no matter how it’s made is qualitatively and quantitatively the same. They’d be wrong, at least regarding the former. Consider the hypothetical of a class with 100 students. Would it be better to sell one unit for a profit of $1000 or 100 units for a profit of $10 each? Stated that way the answer is obvious, at least in the context of education. And yet, even in the more shining examples in this industry we’ve trended towards fewer units and higher margins to recoup past levels of profitability.

For many reasons which should be self-evident this is bad. One of the benefits of Inclusive Access is it reverses this trend. It focuses on the ubiquity and utility of a product, sometimes even prioritizing it over profit. Long term, this is the right way.
Why is this innovative?

To reiterate:

- Abandon the all or nothing mindset. Only one faculty member at a time needs to buy in. Just because it could someday change the way business is done doesn’t mean that needs to be the starting point. This makes the initiative much more feasibly replicated on other campuses.
- Let students ultimately retain the choice to opt out. Mandatory fees are not welcome in the current climate nor does it seem like they will ever be. Make the program sustainable by increasing sell through primarily through added value and convenience and not compulsion.
- Potentially use outreach to pivot to a more service oriented identity.
- Ensures that all students get equal access to materials on day one for a reasonable cost.

Conclusion

There’s a larger point here about what innovation is. Innovation isn’t just the thing. Don’t get me wrong, a lot of it is the thing. The smartphone is a nice thing, it’s a nice innovation, we need the actual thing to say “wow look at that great thing; I want to spend my next paycheck on that thing.”

But innovation is also about embracing the external pressures that necessitate it. It’s about not shrinking from the challenge. It’s about not being discouraged by failures or worse yet, being too afraid to act in the first place.

Innovation is a mindset. Of course not everyone can create the next thing. That would be crazy. There would be a ton of IPO’s and a commensurately huge market bubble. Real estate in the Bay Area would be even more expensive. That’s where I want to live. Don’t do that. It would be madness. We don’t want madness.

But what everyone can do, is adopt the mindset of innovation. We can be open to the potential of something good coming from a situation that seems, for the most part, bad. No, actually we can embrace the idea that this is the likely outcome. But of course innovation won’t occur by doing what’s always been done. It also won’t come about by grudgingly accepting the tail end of industry trends. Nobody ever did a great thing by saying “oh well I guess we’ll start doing that.”

And you won’t be right all of the time. You won’t even be right most of the time. But that’s ok. The greatest baseball players failed most of the time. Except Barry Bonds on steroids because he’s the greatest player in history and you can’t argue that, check the math. And if you still don’t agree, text me so that we can have a very long and debilitating argument about it.

-Morgan Liu
Our Inclusive Access program has two main drivers:

1. Reducing the cost of course materials.
2. Improving educational outcomes for students.

How it works for faculty:
- You express interest in the program.
- UC Davis Stores:
  - Verifies availability of adaptive version of text you have chosen.
  - Negotiates MUCH lower price than print.
  - Provides students with access to this content in SmartSite.

How it works for students:
- Access content through SmartSite.
- Enjoy free access for first two weeks.
- If opting out, do so electronically through registrar link before two-week deadline.
- If remaining in, simply do nothing; retain access until course end. Charge conveniently billed to student's university account.

Advantages:
- Dramatically reduced cost; we saved students over $1 million in the first year.
- Day-one access to course materials for students.
- Adaptive and interactive content.
- Full academic freedom for faculty to choose content.
- Faculty ability to tailor content.
- Unlimited practice with feedback for students.
- Scores report automatically to gradebook.

"I like how all my course materials are all accessible in one location."
-Carmen Romo
2nd year | Polymer Sci Major

"Professors can highlight important materials in the digital textbook—that saves me time and energy."
-Eli Ju
2nd year | Econ Major

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