

Digitales Live Studium

Christian Frank (#473088)

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Prof. Dr. Benjamin Niestroj

FOM - Hochschule für Oekonomie & Management

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In this paper, we will examine the Business Model Innovation that led FOM to develop the digital live format in the aftermath of the COVID-19 pandemic. We will also look at the actions of other players in the higher education market.



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List of Abbreviations

APA	American Psychological Association
BMI	Business Model Innovation
DLS	Digitales Life Studium
FOM	Fachhochschule für Oekonomie & Management
UAS	University of Applied Sciences

1 Introduction

1.1 Higher Education

Higher education refers to formal learning that takes place after completing secondary education (e.g., high school).

Higher education usually takes place in universities that offer undergraduate and graduate degrees. Universities emphasize research and academic study and grant bachelor's, master's, and doctoral degrees.

A University of Applied Sciences (UAS) is a type of higher education institution that emphasizes practical, career-oriented education rather than theoretical research. It's also known by various names globally, e.g., Fachhochschule in Germany and Austria.

1.2 FOM

Here's how our university, the FOM Hochschule für Oekonomie und Management, defines itself and its target audience:

"Initiated by a non-profit foundation, FOM University has a clear educational mission: to create high-quality and affordable study programs for working professionals, trainees, high school graduates, and international students.

Since its foundation, FOM University has maintained close contacts with companies, local authorities, and associations. This strong economic and practical focus plays a key role in the transfer of knowledge. Our approximately 2,000 lecturers draw on their own business experience, teach scientific theory using practical examples, and also incorporate the perspective of working students into their teaching."¹

1.3 COVID-19 & Remote Work

COVID-19 fostered remote work through several key factors. Physical distancing requirements made traditional offices unsafe. Lockdowns and quarantines forced businesses to operate remotely or shut down. Companies needed to protect employee health while maintaining operations

The lockdown led to a widespread adoption of video conferencing tools (Zoom, Teams, etc.), and many companies discovered they could maintain productivity remotely. Many businesses even saw reduced overhead costs (office rent, utilities).

¹FOM (2024): Das besondere Format der FOM Hochschule. [5]

During COVID-19, remote work became socially normalized rather than seen as unusual, and for some employees, it became the favorite way of working.

1.4 Long Distance Education

Long-distance education is a method of teaching and learning where students and instructors are physically separated, using technology and various media to deliver educational content.

It can be synchronous, with live virtual classes at scheduled times, or asynchronous with self-paced study through recorded materials.

The pioneer of distance learning in higher education is the FernUniversität in Hagen: "The FernUniversität in Hagen holds a unique position as Germany's only state distance-learning university. For over 40 years, it has made higher education accessible to students who want an accredited university education but cannot or do not want to enroll in a traditional on-campus university."²

From a niche position, distance learning advanced during COVID-19 to a mainstay in higher education and prompted many established universities to evaluate remote learning opportunities.

Within FOM, this is called the Digitales Live Studium and the subject of this paper.

1.5 Research Question & Method

This paper will examine FOM's DLS offering and compare it to competing existing and new offerings.³

The goal of the paper is to establish whether DLS is a successful business model innovation.

The paper will also try to establish whether DLS is sustainable in the long run and might help FOM to become more competitive.

1.6 Gender-neutral Pronouns

Our society is becoming more open, inclusive, and gender-fluid, and now I think it's time to think about using gender-neutral pronouns in scientific texts, too. Two well-known

²*FeU Hagen (2025)*: FernUniversität in Hagen. [3]

³See *McCombes, S. (2019)*: What is a Case Study. [9]

researchers, Abigail C. Saguy and Juliet A. Williams, both from UCLA, propose to use the singular they/them instead: "The universal singular they is inclusive of people who identify as male, female, or nonbinary."⁴ The aim is to support an inclusive approach in science through gender-neutral language.

In this paper, I'll attempt to follow this suggestion and invite all my readers to do the same for future articles. Thank you!

If you're unsure about the definitions of gender and sex and how to use them, refer to the definitions⁵ by the American Psychological Association.

1.7 Climate Emergency

As Professor Rahmstorf puts it: "Without immediate, decisive climate protection measures, my children currently attending high school could already experience a 3-degree warmer Earth. No one can say exactly what this world would look like—it would be too far outside the entire experience of human history. But almost certainly, this earth would be full of horrors for the people who would have to experience it."⁶

⁴*Saguy, A. (2020): Why We Should All Use They/Them Pronouns. [12]*

⁵*See APA (2021): Definitions Related to Sexual Orientation. [1]*

⁶*Rahmstorf, A. (2024): Climate and Weather at 3 Degrees More. [11]*

2 Business Model Innovation

2.1 Business Model

First, we need to define what a business model might be.

In dialectical materialism, the philosophical movement developed by Karl Marx and Friedrich Engels, the world is explained in a materialistic manner, i.e., starting from material conditions.⁷

Dialectical materialism uses the dialectical method, hence the name, which views contradictions and change as the driving force behind development. There are no direct "business models" in the sense of today's economic concepts that can be derived from dialectical materialism. However, certain principles of dialectical materialism can be applied to the analysis of business models to understand their contradictions and potential for development.

The dialectical method helps to analyze the development of a business model and to understand how quantitative changes (e.g., growth) can lead to qualitative leaps (e.g., new business areas). A business model can also be negated by external influences (e.g., technological innovations) or internal developments (e.g., strategic realignment) and replaced by a new one.

In our case, dialectical materialism will help us understand the influence of adversarial external factors, such as COVID-19, on the business model of FOM and the decision to develop DLS.

2.2 Business Model Canvas

A more traditional tool to analyze and understand a business model is the Business Model Canvas, created by Alexander Osterwalder.⁸

It's a strategic management tool that provides a visual framework for developing, describing, and analyzing business models; it's displayed on a single page divided into nine key building blocks:

- Key Partners
- Key Activities
- Key Resources

⁷See *MIA (2022)*: Encyclopedia of Marxism. [8]

⁸See *Osterwalder, A. (2011)*: Business Model Generation. [10]

- Value Propositions
- Customer Relationships
- Channels
- Customer Segments
- Cost Structures
- Revenue Streams

With the change in perception of remote work, the perception of distance learning also changed, and thus allowed for a revised value proposition for learning at FOM.

2.3 Business Model System

Another model, the Business Model System, which we employed during the lecture, refers to the interconnected network of relationships, processes, and stakeholders that work together to create, deliver, and capture value within and around a business model. It's a more dynamic and comprehensive view than static frameworks like the Business Model Canvas.⁹

⁹ *Tewes, S. (2020): Geschäftsmodelle neu denken. [13]*

Figure 1: Business Model System



At the center of the system, we also have the value proposition that FOM had to change after COVID-19.

3 Digitales Live Studium

3.1 Traditional Distance Learning

Traditional Distance Learning, as provided by the FernUniversität in Hagen or the Studiengemeinschaft Darmstadt would consist of correspondence courses via mail, with pre-recorded material and occasional meetings with a tutor.

While this offers maximum flexibility in learning, it is different from a traditional university setting, where you join a lecture in person. Some people thrive in this flexibility; others might find it very lonely.

3.2 Lectures

FOM's DLS is using a different approach. It provides all the recorded material that traditional distance learning institutions would offer, but also adds live lectures from the FOM Campus to the mix.

Lectures are not pre-recorded; they happen live and can be joined online. Students can participate in the lectures, as they would in an on-campus lecture. However, for those who were unable to attend, the lecture will be recorded and available for viewing at a later time.¹⁰

DLS offers the best of both worlds: the flexibility of traditional distance learning, combined with interactive lectures and live discussions with other students.

3.3 Exams

Exams in DLS are also online, using a proctoring software, and students can participate from the comfort of their home. The main difference from a traditional on-campus exam is that the exam will be digital, rather than on paper, and will be taken on a computer.

3.4 DLS Studio

To ensure consistent quality for the live lectures and the recording, FOM has built professional TV studios on its campuses for the lecturers to use.

¹⁰See *FOM (2025): Digitales Live-Studium*. [6]

4 Market Situation

4.1 Enrollment Figures

With around 45,000 students, FOM is one of the largest universities in Europe.

In Germany, there are 2,900,000 students in total, according to the Federal Statistics Office.¹¹

The majority of students in Germany are currently studying at a full university; approximately a third of all students in Germany are enrolled at a University of Applied Sciences (UAS).

Even though the number of enrollments is stagnating, there is still significant potential for growth in the market for higher education in Germany.

4.2 Competition

A large competitor is the IU Internationale Hochschule, with 125,000 students, which is almost triple the size of FOM. In addition to traditional distance learning, IU also offers a virtual campus now in its myStudium offering that is somewhat comparable to FOM's DLS offering.¹²

Another competitor, the Hochschule Fresenius, does not offer a virtual campus, only distance learning. Likewise, the FernUniversität in Hagen only offers distance learning.

This leaves FOM with a genuinely unique selling point of the DLS, significantly ahead of the competition.

4.3 Hybrid Models

While the DLS is entirely online, the in-person Campus+ model also has virtual lectures, creating a lot of synergy between the models.¹³

For the virtual lectures in DLS and part of Campus+, there is no need for the lectures to be at a particular location anymore. This allows FOM to offer more subjects at different locations; however, it also enables FOM to reduce the number of lecturers and thus increase its profitability.

¹¹See *CHE (2025)*: Students in Germany. [2]

¹²See *IU (2025)*: myStudium Studienmodell. [7]

¹³See *FOM (2025)*: Campus-Studium. [4]

4.4 Business Innovation

With the very unique value proposition of live university lectures without the need to travel to a university campus, FOM is now ahead of its competition with a very innovative offering.

And it's not only the need for travel. In Generation Z and Alpha, the number of people with social anxiety has dramatically increased due to the multiple crises, wars, and a very bleak outlook for the future.

DLS and Campus+ both offer easier access to live lectures than traditional in-person campuses and are more suitable for neurodivergent students.

4.5 Conclusion

When COVID-19 turned the traditional setting of in-person work and in-person lectures on its head, FOM not only enabled remote teaching, as most schools did. FOM embraced the change as an opportunity to redefine its delivery model and create a new branch, the DLS, to combat declining enrollment rates and reach new students through a new and innovative offering.

5 Summary

The Digital Live Studium addresses the needs of students who cannot attend lectures in person, for personal reasons or because of location. Especially for people tied up in care work, the ability to participate in a live lecture without leaving home is a big plus and greatly enhances the DLS's value proposition.

Other players in the secondary education market have also embraced the idea, further validating the innovation and its usefulness.

We can conclude that DLS is a highly successful innovation by FOM, and that it will help the university stay competitive in the tight market for higher education.

A further enhancement could be allowing the lecturers to work from home or their personal office. This could then be the first step on the road to transforming FOM into an entirely virtual university.

Happy teaching!

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