

# Growth Opportunities for Navitas' Study to Work Program

FINAL DRAFT

## Contents

<b>EXECUTIVE SUMMARY</b> .....	<b>3</b>
<i>Scenario A – Study to Work: a PYP internship alternative</i> .....	5
<i>Scenario B – Study to Work – a cohesive, WIL offering</i> .....	6
<b>INTRODUCTION</b> .....	<b>7</b>
METHODOLOGY .....	9
<b>STUDY TO WORK – THE CURRENT OFFERING</b> .....	<b>10</b>
STUDY TO WORK IN THE C&I CONTEXT.....	10
STUDY TO WORK PROGRAM .....	10
STUDENT COHORT CHARACTERISTICS.....	11
CURRENT GROWTH STRATEGY .....	11
REVIEW OF CURRENT PARTNERSHIPS .....	12
<i>University and non-university ‘source’ partnerships</i> .....	12
<i>Industry partnerships</i> .....	13
<i>Internal partners</i> .....	13
<b>COMPETITOR ANALYSIS</b> .....	<b>14</b>
INTERNSHIP PLACEMENT SPECIALISTS .....	15
<i>Australian competition</i> .....	16
<i>International competition</i> .....	18
UNIVERSITIES AND OTHER TERTIARY EDUCATION PROVIDERS.....	19
AGGREGATORS.....	22
<i>Australian competition</i> .....	23
<i>International competition</i> .....	23
<i>Summary</i> .....	24
<b>FUTURE DIRECTIONS</b> .....	<b>26</b>
POTENTIAL ENHANCEMENTS TO NAVITAS STUDY TO WORK PROGRAM .....	26
BARRIERS TO GROWTH .....	26
<i>Organisational</i> .....	26
<i>Planning for growth</i> .....	27
<i>Product definition</i> .....	29
<i>Branding and credibility</i> .....	30
<b>SCENARIO PLANNING</b> .....	<b>32</b>
A WAY FORWARD .....	32
SCENARIO A – STUDY TO WORK: A PYP INTERNSHIP ALTERNATIVE.....	<b>ERROR! BOOKMARK NOT DEFINED.</b>
SCENARIO B – STUDY TO WORK – A COHESIVE, WIL OFFERING .....	<b>ERROR! BOOKMARK NOT DEFINED.</b>

## Executive Summary

Graduate employment rates, the changing nature of the world of work, and mitigating skills shortages are all drivers of a push within the Australian tertiary education sector (and particularly the public university sector) to significantly expand the work integrated learning (WIL) available to students. The most popular and well used WIL option currently is an internship, usually but not always after a learner graduates (sometimes combined with a preparatory program readying the student for the world of work).

Conscious of the need for Australian businesses to benefit from Australia's expertise in international education, the Commonwealth government has worked with peak industry bodies in the Accounting, ICT and Engineering fields, to support the roll out of a comprehensive Professional Year Program (PYP) combining both preparation for the world of work and an extensive internship placement – targeted at international students.

Navitas is one of the leaders in the provision of the PYP and has looked to leverage its PYP expertise to significantly expand its WIL offerings to source partners (educational institutions), students and host employers – through the provision of a fully customisable suite of offerings via the Study to Work program. To assist in this expansion it has commissioned this review of its Study to Work program, with an aim to identifying the opportunities for expansion in an increasingly competitive field.

At the time that Study to Work was conceived the 2015–17 Careers and Learning Skills (CLS) Strategic Plan was being finalised. In 2015 C&I recruited a number of national managers to provide leadership to Study to Work and at the same time revised and rebranded its Study to Work offerings. Throughout the latter part of 2015 and into 2016, work has been progressing within Navitas on a new vision for the organisation, Navitas 2020.

While explicit details of Navitas 2020 were not available to the reviewers during the course of the project, it has been apparent during the course of this review that the work within Navitas articulating the 2020 vision has been understood and embraced by the C&I business unit. Repositioning the organisation from its historic focus on “pathways into university” to an offering which also includes “pathways into industry” implies an organisation-wide embrace of the work of C&I and particularly the potential of Study to Work. In the time available to the review team it was not clear that that ‘embrace’ has yet occurred.

C&I has a ‘stretch’ target of 20,000 participants in Study to Work by 2020. Staff in C&I recognise it as a stretch target but have embraced it as an opportunity to engage and motivate the team to significantly expand the Study to Work program, and in doing so, to make a significant contribution to Navitas 2020.

In FY2015 C&I had 102 participants in Study to Work and generated revenues of \$79,240. By the end of March 2016 it has increased participation to 142 and earned \$219,000. While the year to date 2016 performance is an improvement, it is not of the order of magnitude required to achieve the stretch target for Study to Work. To do so will require annual growth of 187.5 per cent each year until 2020.

Navitas is aiming to achieve this level of growth in a field of activity that is highly competitive. The review identifies three main types of competitors to Navitas in the Study to Work field – many are based in Australia, others have their headquarters overseas and operate on a global basis, including

offering overseas students internships (and accommodation) in Australia and elsewhere around the world. Competitors take the form of:

- a) those which are specialists and operate almost solely in the internship placement space. They do not typically have government approval to offer PYP places but have identified the need for (and willingness of students to pay for) internships and related career support activities
- b) educational institutions like Navitas which offer the PYP extensively across Australia and can (or are) leveraging it to offer other internship programs, and
- c) aggregators which do not offer any preparation for students prior to an internship but instead use technology to facilitate interactions directly between students seeking internships and employers wishing to host them.

In addition, there are a number of large employers which offer internships directly (as well as in partnership with service providers). As technology platforms become more widespread it is possible that some employers may choose to access their interns directly and without the support of a service provider (especially if they wish to select domestic graduates for internships).

In such a competitive field there are a range of factors which will inhibit C&I's ability to quickly ramp up activity in the Study to Work program. These include:

- organisational issues such as
  - whether to achieve the vision of Navitas 2020, Study to Work can deliver a whole of Navitas WIL offering within the current organisational arrangements (ie it is a relatively small business unit within a much larger and more diverse division, which in turn is one of a number of divisions within Navitas)
  - staff concerns regarding the adequacy of non-PYP programs (and whether or not Navitas does employers a disservice by offering them student interns who are perceived to be less well prepared)
  - incentives which are heavily weighted towards the PYP program
  - a lack of cohesion across State based teams
  - the need for greater clarity in roles and responsibilities at the level of the Study to Work national management team, and
  - a need to clarify and communicate which Navitas staff/business units 'own' each relationship with education and employment partners to reduce duplication for partners
- the need to enhance engagement with employers through:
  - expanding the number of large employers that Navitas works with
  - expanding the industries Navitas has host employers in
  - making significant improvements to the accuracy of the data on host employers in the C&I database, and
  - rethinking the role that host employers play in an internship model
- clearer product definition and branding:
  - confusion exists amongst external stakeholders about competing brands 'Navitas Professional' and 'Study to Work' and relationships
  - market research to test what source partners are seeking from Study to Work
  - repackaging the offerings to more clearly meet those needs (while still allowing the flexibility to mix and match different options)
  - enhance brand awareness of Study to Work across Navitas
  - review and clarify the content of the website and hard copy materials related to Study to Work.

It is proposed that at this time in its evolution, and within the context of Navitas 2020, there are two growth options available to Study to Work. They are compatible with one another and a focus on Scenario A in the short-term does not preclude subsequent (or simultaneous) expansion into Scenario B.

### Scenario A – Study to Work: a PYP internship alternative

Given the current focus of demand from Navitas' source partners is mostly for Study to Work's internship offerings, it is suggested that in the short term C&I focus on strengthening its delivery of these internships.

To achieve this C&I will need to:

- review its host partnerships database to make sure that all details are correct
- identify a partnership 'owner' for each partner and clearly identify them in the database
- charge the Navitas partnership owner with carefully detailing the partners' needs from Navitas, and undertaking a brief assessment of the other internship partners the host currently works with
- expand the current industry focus of the host employers from the existing industries into new industry areas
- work to actively change the (unstated but frequently expressed) view within C&I of employers as 'suppliers' of places for Navitas interns, and instead ensure staff view them as an explicit segment of the market that Navitas can provide services to (ie remembering that employers receive multiple benefits from hosting internships)
- selectively expand its source partners (the universities currently have the largest number of students who will not yet have had a work integrated learning experience as part of their studies, using its Pathways relationships and an expanded list of industry partners – Navitas should carefully cultivate new source partners from across the university sector as a priority)<sup>1</sup>
- revise marketing materials to support the expansion of Study to Work to new host employers in new industries and to advertise details of Study to Work internships to all Navitas Pathways colleges and other Navitas educational institutions<sup>2</sup>
- continue the organisational development work currently in place to build greater team cohesion, and
- revise incentives for staff in relation to Study to Work internships.

This option recognises the core program component in the Study to Work offering is its internships, supported by effective preparation. It seeks to address the barriers to growth identified in the report, and while it will position C&I to achieve substantially more growth in Study to Work and develop credibility as a go-to for internships, it is unlikely to deliver the rapid growth Navitas is looking for by 2020.

---

<sup>1</sup> ATMC – a new short-term partner for Study to Work is also a competitor. It is unclear based on the information provided that ATMC and others like them either add to the Navitas brand or can help generate the level of growth in numbers they can bring, relative to the numbers associated with a university partnership

<sup>2</sup> The Discovery phase of the project did not allow for analysis of how Study to Work's internships compare to those on offer by SAE and ACAP. Senior Management within Navitas will need to determine if Study to Work should also handle internships for ACAP and SAE.

## Scenario B – Study to Work – a cohesive, WIL offering

If C&I wishes to continue to offer Study to Work as a fully customisable WIL program (including internships and the full range of optional extras), and deliver on the Navitas 2020 vision, it needs to commence on the work identified in Scenario A, and *also* pursue a number of other actions as a priority. These include:

- commission market research to determine what WIL activities current and potential source partners are looking for
- segment, clearly define and advertise the selected Study to Work options (while still allowing flexibility and customisation) to provide source partners and students with a clearer and more targeted set of offerings
- boost the number of major host employers which partner with Study to Work
- consider the purchase of an established aggregator (or a joint venture arrangement) that can deliver a higher level of automation in the internship matching process
- expand the direct student facing options for internships that Study to Work offers and market them aggressively
- discuss with senior management if C&I is the appropriate 'location' within Navitas for Study to Work if it is to be the whole of organisation "Pathways to Industry" business unit in the same way that the University Pathways business unit is, and
- commission an HR review to determine the skills needs of an expanded Study to Work program which has the support of major employers and is being positioned as Navitas' "Pathways to Industry" business unit.

Navitas has a highly regarded brand within the education sector, it also appears to have well regarded relationships with employers involved in the PYP program.

As a result of its brand and position in the Australian education market, the opportunity exists for Navitas to also take a leading role on delivering WIL in Australia (and potentially globally). However, for Study to Work to deliver on the Navitas 2020 vision, it will require greater clarity (from Navitas) about its role and function. This review identifies two scenarios for growth once that role clarity has been agreed. Irrespective of which path Navitas chooses it must do so soon. Competition is growing and competitors are becoming increasingly sophisticated. If it does not act swiftly, Navitas runs the medium-term risk of being left behind and facing the ignominy of relying on its current competitors to place Navitas' own graduates in non-PYP internships

## Introduction

Across the globe, work integrated learning (WIL)<sup>3</sup> options are being adopted by educational institutions as they grapple with growing levels of graduate unemployment and under-employment,<sup>4</sup> the need to help to address skill shortages in the economy, to meet the needs of an increasingly 'professionalised' workplace, and to produce more 'work ready' graduates.<sup>5</sup> In Australia, increasing opportunities for university students to participate in WIL is a key focus of Universities Australia's (2015) *National Strategy on Work Integrated Learning in University Education*.<sup>6</sup>

In 2005, in a Research Brief for the Queensland Parliament, WIL in Australia and other OECD countries was categorised as fitting one of two broad types:

- The first being a structured experience undertaken for university credit, and
- The second was characterised as "more informal exposure to the work environment".<sup>7</sup>

The proliferation of internships in recent years, in Australia and globally, and particularly those internships which combine a formal preparatory period, have upended the neat distinction of a decade ago.

While hard data in Australia is not readily available, in the US there is demonstrable evidence of the centrality of internships in the tertiary education of many students. Internships are a well-established pathway to recruitment in the US, with more than 80 per cent of employers using them as part of a recruitment strategy.<sup>8</sup> According to the US National Association of Colleges and Employers (NACE), in 2014 more than 60 per cent of students who received a job offer prior to graduation had completed an internship.<sup>9</sup>

While a high proportion of companies use internships in the US, the capacity of organisations to offer them, and to offer ongoing employment as a result, differs depending on the size of the organisation. The same NACE report noted that while larger for-profit companies often offer ongoing employment to graduates after a successful internship, smaller organisations, not-for-profits and government agencies may not have the corporate turnover and hiring resources to do so. PhillipsKPA made similar observations about Australian employers in a 2014 report compiled for the

---

<sup>3</sup> Work Integrated Learning is defined as "an umbrella term for a range of approaches and strategies that integrate theory with the practice of work within a purposefully designed curriculum" by Patrick, C-j., Peach, D., Pocknee, C., Webb, F., Fletcher, M., Pretto, G. (2008, December). *The WIL [Work Integrated Learning] report: A national scoping study* [Australian Learning and Teaching Council (ALTC) Final report]. Brisbane: Queensland University of Technology. <http://eprints.qut.edu.au/44065/1/WIL-Report-grants-project-jan09.pdf>

<sup>4</sup> Those employed part-time or in casual roles, and those working in lower skilled jobs outside of the occupations they trained for – see: <http://theconversation.com/graduating-into-a-weak-job-market-why-so-many-grads-cant-find-work-45222>

<sup>5</sup> Patrick et al (2008) *op cit*

<sup>6</sup> Universities Australia, Australian Chamber of Commerce and Industry, AiGroup, Business Council of Australia, Australian Collaborative Education Network Limited. *National Strategy on Work Integrated Learning in University Education*, 2015. <http://cdn1.acen.edu.au/wp-content/uploads/2015/03/National-WIL-Strategy-in-university-education-032015.pdf>

<sup>7</sup> Bates, L (2008) *Building a bridge between university and employment: Work-integrated learning* Queensland Parliamentary Library Research Brief No 2008/05

<http://www.parliament.qld.gov.au/documents/explore/researchpublications/researchbriefs/2005/200508.pdf>

<sup>8</sup> <http://career.sa.ucsb.edu/files/docs/handouts/2014-student-survey.pdf>; similar use of internships is reported in the UK: <http://acen.edu.au/2014Conference/wp-content/uploads/2014/10/Attempting-to-build-graduates-capacity-towards-global-employability.pdf>

<sup>9</sup> *ibid*

then Department of Industry, *Engaging Employers in Work Integrated Learning: Current State and Future Priorities*.<sup>10</sup>

While a number of reports in the last year or two have pointed to growing demand in the US for internships, with employer demand and intention to hire interns up 48 percent and 56 percent respectively,<sup>11</sup> there is concern there that employer demand may have peaked – at least in some fields of study, such as business and management.<sup>12</sup>

While the US may be about to hit peak internship participation of employers in some industry areas, Australia (and a number of other countries such as New Zealand) are starting to engage in internships from a previously low base. The PhillipsKPA report noted that, “while employers question the work readiness of Australian graduates WIL is currently underutilised in Australia across many disciplines and industry sectors. Employers are particularly critical of the inability of graduates to link the theoretical aspects of their degree with the practical realities of work.”<sup>13</sup> (p.6)

The same report set out a number of key findings of importance for Navitas as it seeks to expand its partnerships with industry/employer host organisations:

- Employers typically first participated in WIL after being approached by a university or student.
- A clear majority (88 per cent) of organisations participating in WIL plan to continue engaging university students over the next two years.
- Just one in five organisations not participating in WIL have thought about or attempted to engage a student.
- Organisations most likely to be active in providing students with WIL experiences are those that have been in operation around 20 years and/or have more than 15 employees.
- For smaller organisations, ensuring the quality of the WIL experience is particularly challenging given their limited resources.
- The two main barriers for organisations currently providing WIL opportunities are lack of resources and time for supervision of the university student.
- The strongest factors encouraging ongoing employer engagement in WIL are support from universities, good personal links with universities, and effective university coordination of students.<sup>14</sup>

Against this back drop Navitas has requested advice on how it can rapidly expand one of its WIL programs, *Study to Work*, offered by its Careers and Internships (C&I) business unit. Navitas has set a target of 20,000 students enrolled in a Study to Work program by 2020.

---

<sup>10</sup> PhillipsKPA. *Engaging Employers in Work Integrated Learning: Current State and Future Priorities*. Report to the Australian Government, September 2014.

<sup>11</sup> <https://umaine.edu/career/studentsalumni/co-opinternship-information/infographic-internships-survey-and-2013-internship-trends/> In the previous years a similar trend has been evident, with reports of increased demand from 2012 – see <http://www.careerarc.com/blog/2012/12/3-internship-trends-employers/> and <https://www.naceweb.org/uploadedFiles/Content/static-assets/downloads/executive-summary/2013-internship-co-op-survey-executive-summary.pdf>

<sup>12</sup> Burning Glass Technologies. *No experience necessary? The state of American Internships 2015*. Burning Glass Technologies, 2015.

<sup>13</sup> PhillipsKPA (2014) *op cit*

<sup>14</sup> *ibid*

## Methodology

The project commenced with a Discovery phase<sup>15</sup> involving:

- a) an introductory meeting to confirm the project scope
- b) interviews with 11 Navitas employees, and
- c) a desktop review of Navitas documentation relevant to its Study to Work program.

The Research and Analysis phase of the project included:

- a) examination of the current Study to Work program including a review of current partnership arrangements, program offerings and partner/student cohort characteristics
- b) a desktop review of current Australian competitor programs and expected market growth – nationally and internationally, and
- c) identification of potential enhancements to the Navitas Study to Work program (ie additional program components including complementarity with other Navitas C&I programs).

It had been intended that this phase would also allow for the identification of characteristics of potential target markets and partners / individual client cohorts that Navitas could pursue in an expansion of Study to Work, as well as offering scenario planning to underpin the development of a new business model for the program.

Scenarios for the further development of Study to Work are included in this report, but at this stage (and for reasons outlined in the report related to the current state of readiness of the Study to Work program) it was not possible to identify potential target markets and partners nor individual client cohorts for the program's expansion.

---

<sup>15</sup> Due to cost constraints, the Discovery Phase was reduced from three days to one which has limited the reviewers' ability to access all documentation and undertake as many preliminary interviews with Navitas staff as would have been optimal.

## Study to Work – The Current Offering

### Study to Work in the C&I context

Careers and Internships (C&I) delivers a number of related programs, including:

- *Professional Year Program (PYP)* – a government approved internship program for international students graduating from Accounting, IT and Engineering degrees in Australia, delivered across the five main capital cities, involving 32 weeks of preparatory study and 12 weeks in an internship
- *Engineering Experience Program (EEP)* – enabling recent graduates and engineers without experience in the Australian workforce to undertake preparatory study and a 12 week internship
- *Career Experience Program (CEP)* – an 18 week program (including six weeks in the workplace) for recent university graduates, and
- *Professional Internship Program (PIP)* – offering 12 week internships and mentoring to graduates across Australia in a range of industries at a total of 16 weeks.

Initially offered as early as 2014 through partnerships with four universities – Curtin University, the University of Sydney, La Trobe University and Macquarie University – Study to Work emerged as a response to a view that while PYP was well-established, Navitas needed a broader product range to compete in the WIL space. As a result, a range of short courses was developed or re-branded in 2015, including Study to Work, EEP, CAP and PIP.

### Study to Work program

Study to Work is now offered as a “fully customisable suite of workshops and accredited units of competency” targeted at higher education providers – primarily universities – that prepares students for the world of work. Navitas positions Study to Work as a solution for both local and international education providers seeking to respond to the current demand from students and employers for work experience and employability skills. The program’s value proposition is its provision of ‘cutting edge’ employability skills for students through practical experience linked to the student’s university studies.

The Study to Work program can be delivered face-to-face or online and can be:

- embedded within a program – providers can embed components of the Study to Work workshops and/or Accredited Units of Competency within an existing degree, or offer them as individual courses or electives such as an internship placement; or
- co-curricula – Study to Work components can be delivered in addition to the students’ formal studies, either in session or during semester breaks.<sup>16</sup>

In FY2015, Navitas provided careers and internship support to around 1,300 individuals, generating a total of \$11,603,924 in revenue.

The vast majority of students – at 1,170 – were enrolled in the PYP. In contrast, Study to Work enrolled just 102 students in FY2015, earning a total of \$79,240 in revenue.

---

<sup>16</sup> <http://www.navitas-careers-and-internships.com/education-partners/study-to-work/>

Study to Work enrolments and revenue for FY2016 YTD (March) are up from FY2015 figures, at 142 enrolments and \$219,000 in revenue.<sup>17</sup>

Achieving the Navitas target of 20,000 enrolments per annum by 2020 will require exponential growth from this base. Based on the 2015 full FY figures, an annual growth rate of 187.5 per cent will be required for each of the five years to 2020.

Financial year	
2015	107
2016	294
2017	845
2018	2,428
2019	6,981
2020	20,070

### Student cohort characteristics

Information on Study to Work student characteristics was sought, including the country of origin, age profile and area of study and institution of enrolment for all students; however C&I advised that accurate data is not available at this stage.<sup>18</sup> While Study to Work is not currently marketed directly to students,<sup>19</sup> it is nonetheless surprising that this data is not captured and accessible from Navitas' databases.

However, C&I did advise that the student group for Study to Work is consistent with those in C&I's related programs. The majority of students participating in PYP for example, are international students from China and India, with significant enrolments from Pakistan, Indonesia, Vietnam, Hong Kong, Bangladesh, Malaysia, South Korea, Nepal, Sri Lanka and Cambodia. A small number of Australian students are also enrolled.<sup>20</sup>

Detailed information on student age profiles and areas of study in other C&I programs is also not currently available, but C&I advise that students are a mix of those graduating from degree level programs and executives, and because of the predominance of PYP they are currently concentrated in accounting, ICT and engineering.

### Current growth strategy

The Careers and Learning Skills (CLS) Strategic Plan identifies a range of initiatives designed to drive growth in C&I. A number of interviewees commented that the slow growth in C&I's short course product range to date, and Study to Work in particular, has been a disappointment. A dedicated national team and three new state managers have been recruited over the last twelve months to

<sup>17</sup> See Appendix 1 for enrolment and Appendix 2 for revenue figures provided for this report.

<sup>18</sup> C&I advised that data collection processes for Study to Work are yet to be developed, and that due to the recent migration of data from existing data platforms to the Sonia student placement software system, accurate information on previous enrolments is unavailable. C&I are conscious that this is an area which needs to be urgently addressed.

<sup>19</sup> C&I staff advised that while direct enrolments are possible, they are not actively marketed.

<sup>20</sup> See Appendix 3 for PYP student country of origin data provided for this report.

drive growth – bringing overall staffing to just over 50<sup>21</sup> people across the five states and full range of C&I products.

Significant appointments include a Business Development and Industry Engagement Manager (BDIEM – in April 2015), with responsibility for attracting and maintaining partnerships, and a Curriculum and Learning Manager in July the same year. In line with initiatives identified in the CLS Strategic Plan, a significant review and redesign of the Study to Work program has been undertaken, with marketing products re-developed, curriculum materials re-designed to support customised delivery, and commencement of a targeted business development campaign to attract new university ('source') and industry ('host') partners. This work was concluded in early 2016.

## Review of current partnerships

### University and non-university 'source' partnerships

Study to Work is marketed as a solution for tertiary education institutions,<sup>22</sup> and interviewees nominated its key target partners as mainly public universities via existing Pathway College relationships. While students are consumers of the product, they are not a customer segment – at this point there are no students sourcing Study to Work program options directly from Navitas.

Universities – and other educational organisations – are the key customer base for Study to Work program offerings. What Navitas believes it can offer universities is a reputation for quality, extensive networks of employers ready to take short and longer term work placements, efficient placement systems to match students with opportunities, and a high rate of ongoing employment outcomes. Based on comments at interview, Navitas delivers on a 100 per cent placement commitment, and achieves a successful transition to full time employment outcome for 83 per cent of students in work placements.<sup>23</sup>

In addition to the remaining original partnerships with Curtin University, the University of Sydney, and La Trobe University, the C&I team has established relationships with two new tertiary education partners (Swinburne University and the ATMC – Australian Technology and Management College) and three internship placement specialists (Lode Solutions, META University College and CAPA) since the launch of the Study to Work product in 2015.

The majority of partnership arrangements are short term and some have expired – eg Lode Solutions Pty Ltd has entered into a number of agreements with Navitas for Study to Work, over periods of up to 12 months' duration; the partnership with Swinburne University expired in November 2015; META University College has entered into an agreement with Navitas until November 2017. Three other partnerships conclude by the end of the 2016 calendar year.<sup>24</sup>

Unfortunately, C&I staff were unable to provide data on the performance of various university partners, eg enrolments and revenue by institution, at the time of the project. Reasons for this include the recent merger of information about older programs, previously held on two data

---

<sup>21</sup> This number does not include trainers contracted by Navitas to deliver C&I programs. There are currently approximately 40 part time trainers employed to deliver C&I programs across Australia.

<sup>22</sup> <http://navitas-internships.com/education-partners/study-to-work/>

<sup>23</sup> As noted earlier, data on internships is not readily available in Australia, nonetheless these figures are impressive and should be widely promoted by Navitas.

<sup>24</sup> See Appendix 4 for information provided on Navitas' Study to Work Partnerships.

platforms, with the Sonia student placement software system, and the relative newness of the program.

C&I's BDIEM has discussions underway with a number of entities for potential business opportunities, identified in a list of discussions with Australian and offshore institutions (see Appendix 5) and a 'hit list' of target partnership entities (see Appendix 6), a number of which will expand the 'traditional' pool of 'host' partners. Combined these include more than 30 domestic and international opportunities which were under exploration at the time of this report. They include working with Pathways Colleges as well as offering Study to Work components, at a range of price points, for careers education in schools, leadership programs, study tours, professional development, and a community grants bid in partnership with a university, as well as the more 'traditional' graduating student internship model. While current partner numbers are small, the list of potential partners includes Victoria University, Sydney Institute of Business and Technology, a number of international agents and the Thai defence force.

### Industry partnerships

The C&I database of industry partners lists in excess of 660 industry contacts. However, even at first glance more than 50 per cent of organisations in the database have more than one contact name – many have more than 4, the database includes 77 lapsed partnerships, and work has not yet been done to establish a clear view of how many active industry partnerships C&I has and in what areas. This is in part due to the fact that industry partnerships were, and continue to be, established at the local level by Industry Placement Coordinators (IPCs). They cover a wide range of industry areas, major companies, government departments, Navitas business divisions and small businesses. High profile industry partners include David Jones, Westpac, Schweppes Australia, and GlaxoSmithKline.

Industry partners are seen by C&I staff as a key resource for supplying Study to Work with work placement opportunities/internships and guest speakers. Many of the current industry partnership relationships were established to support PYP, and a number of Navitas staff noted in interviews that IPCs are protective of these relationships, concerned that placing short course students – who have not been through the rigorous preparation associated with PYP – will adversely impact on partner relationships and deliver less revenue to Navitas (and result in lower bonus payments for staff). This issue will need to be overcome to achieve the 20,000 per annum growth target.

### Internal partners

'Internal partnerships' were identified during interviews as being significant in supporting the C&I team in achieving the growth target. These included other Navitas Divisions and Business Units which could provide contacts to leverage relationships, and specific Business Units within the Professional and English Programs division (PEP) that provided critical support in enabling responses to potential leads, such as Finance, Marketing and Legal support.

In particular, the BDIEM believes that the leverage potential of relationships with potential 'host' partners that exists in other areas of Navitas will be critical to achieving the growth target set.

## Competitor analysis

A Google search will quickly reveal that the international market for WIL is already a well serviced one. The increasing emphasis on workplace experience as an important part of a student's education and training experience is a global phenomenon, no doubt spurred on by the global financial crisis and tight youth labour markets internationally. Graduates know they need that extra 'edge' to distinguish themselves in the employment market.

Navitas has been part of the trend towards WIL, offering the PYP since 2008 and more recently expanding its range of programs, and the desktop analysis undertaken as part of this project has confirmed what Navitas staff know through experience and instinct – that work placements, and specifically internships, are the most sought after WIL experience.

In line with this, Navitas' competitors in the WIL market have been broadly defined as organisations which provide students with internship placements in industry/employer host organisations.<sup>25</sup> Given the global market in which Navitas operates international organisations have also been included.

Navitas' competitors can be divided into three main categories:

- internship placement specialists
- universities and other tertiary education providers, and
- aggregators.

The first two categories are currently Navitas' main competitors. Like Navitas, they offer services that value add to the internship placement process for employers, undertaking the largest share of intake administration, ensuring students have minimum levels of English language and tertiary study, and conducting workplace readiness assessment and student preparation prior to placement.

However, aggregators pose a potential threat both to Navitas and to its direct competitors. Aggregators seek to make it simple for students and employers to interact without the need for an intermediary, by curating internship opportunities and making them available for students to search on a single platform. While the search functions are still in their relative infancy, and the plethora of opportunities might be somewhat overwhelming for students, they appear to have high rates of subscription and employers are clearly using them, in addition to their existing channels for sourcing interns. In an increasingly digital context, where employers like Ernst and Young are already automating early stages of their multi-stage recruitment processes and using them to shortlist candidates, providers like Navitas will have to be clear about what value they add in preparing students for the internship process.

It is worth noting that while currently employers, and particularly large employers, are mainly perceived as hosts for interns, in the future, employers have the potential to entirely disrupt the market for WIL. Large employers, in particular, in Australia and overseas, have for many years accepted interns via direct applications, examples in Australia include GE<sup>26</sup> and the Commonwealth Bank<sup>27</sup>. As noted above, they are also increasingly moving to automate aspects of their recruitment process. At the same time, some of these employers are moving to deliver training in house – particularly the training required to transition to employment. This raises the very real possibility of

---

<sup>25</sup> To be clear, some providers offer students opportunities to undertake work experience in the offices of the provider that they are studying with – for example Australia Pacific College (APC), English Unlimited (EU), and Australian Pacific Travel & Tourism (APTT) offer students this type of opportunity - <http://www.apc.edu.au/student-services/>

<sup>26</sup> <http://www.ge.com/au/careers/our-programs/internships/what-you-need-to-know>

<sup>27</sup> <https://www.commbank.com.au/about-us/careers/graduate-recruitment-program.html#Key%20dates>

at least some employers choosing to take responsibility for sourcing all of their own interns and eliminating the need for the full range of services currently offered by organisations like Navitas.

#### Employers meeting the training and recruitment needs for their industry and partners: Neusoft

Neusoft Corporation is a leading IT solution and service provider in China, established at Northeastern University in 1991. Neusoft has almost 20,000 employees worldwide, ten software R&D bases, eight regional headquarters and a comprehensive marketing and service network covering 60+ cities across China – and subsidiaries in the US, Japan, Europe, Middle East, and South America.

Focusing on software technology, Neusoft provides industry solutions and product engineering solutions, software products & platforms, and services. Neusoft's industry partners include Toshiba, Philips, intel, Nokia Siemens, IBM, HewlettPackard, Hitachi, NEC, Boeing, Microsoft, Sony, Panasonic and Symantec.

#### **Sustainable HR Development**

In response to the long period of training that new graduates required in order to become productive workers at Neusoft, the company developed its own training institution, Neuedu, to promote HR development for the software industry and share IT human resources with its customers and partners.

Neuedu now provides training to graduates destined for a range of other organisations – including some sponsored by the Chinese Government in skills priority areas.

In the most recently available data from 2012, Neuedu was educating more than 28,000 students, providing Neusoft and its partners a strong stream of professional talent.

Today, Neuedu has eight distributed talent training bases in China and has established close partnerships with over 500 universities and 400 enterprises worldwide.

#### Internship placement specialists

Internship placement specialists are organisations that were established to, or whose main business has become, sourcing internship placements and ensuring that students meet the requirements of their host employer.

It should be noted that in their marketing material many of these organisations are very aware of the value of the internship not only to the student, but also to the host employer. They recognise that just as students are seeking to work in a positive environment and extend their skill set, so too are employers benefitting from the – usually – free labour and skills of the intern, as well as from the opportunity to 'try before you buy'. These expressions of value contrast with the views expressed in

the interviews with Navitas staff which, as stated earlier, focussed on the value employers added to the Study to Work program as hosts to interns.

The internship placement specialists outlined here include organisations with an Australian head office, as well as a number of organisations based overseas which arrange internships for students in a range of countries, including Australia. Given the historic emphasis on internships and study abroad options in the US it is unsurprising that many US based organisations operate on a global scale, offering internships in Australia and numerous other destinations; and unsurprisingly this research has not yet identified similar specialists operating from or in less developed regions.

### Australian competition

Marketing internships both directly and via universities, **Australian Internships (AI)**<sup>28</sup> was established in 1998 and like Navitas, is a member of the Australian Internships Industry Association (AIIA). It operates an internship model not dissimilar to Navitas:

- interns can participate in a range of programs and are allocated an Internship Program Supervisor (IPS)
- host organisations have an Internship Program Manager (IPM) to understand their business and provide the most suitable interns
- education partners and agents are allocated a key relationship manager, who works with them to understand student needs and provides training, ongoing support, marketing material, reporting etc to the partner.

AI has over 1,200 candidates annually and 4,699 active host organisations across Australia offering internships from 4 – 52 weeks in almost all academic disciplines. Importantly, AI is a preferred partner for a number of government and educational organisations in locations such as Europe and Latin America, and its partners include:

- German Government, Swiss Government, European Universities Internship Coordinators Association (SWING)
- Universities in Brazil, Chile, Colombia, Germany, Italy, Mexico, The Netherlands, Spain, Switzerland among other countries
- A range of Australian educational institutions, including
  - Griffith University
  - Melbourne University
  - Newcastle University
  - Queensland University of Technology (QUT)
  - Swinburne University of Technology
  - The University of Queensland (UQ)
  - University of New South Wales (UNSW) Global
  - University of Sydney Centre for English Teaching
  - University of Western Australia (UWA)
  - IBT Education Group
  - TAFE Queensland Institutes
  - Study Group Australia, and
  - a number of English language schools.

---

<sup>28</sup> [www.internships.com.au](http://www.internships.com.au) although their overall numbers are not bigger than Navitas', the strength of their partnerships and official relationships make them a key player in the Australian internships space.

With a focus on the international market and long established relationships – a number with partners Navitas also works with – should AI look to grow beyond its current model it would be a significant competitor for Navitas. Its established relationships with key government agencies and leading universities and education providers also limit opportunities for Navitas to easily expand into these market segments.

**Premium Graduate Placements (PGP)**<sup>29</sup> works directly with domestic and international graduates in Australia and New Zealand and offers three internship programs:

- Standard Package (12 weeks, \$1,250 and \$1,500 for Engineering, providing intern placement and monitoring)
- Professional Package (Standard Package plus Career KickStart program which is a program of four face-to-face workshops focused on work readiness/preparation; \$2,650)
- Platinum Package (Professional Package plus post-internship individual career coach; \$3,200).

PGP arranges internships in ICT, Engineering, Accounting, HR and Marketing but is not approved as a PYP provider under the Department of Immigration and Border Protection. No information is available about host companies that PGP works with nor their internship numbers.

**Performance Education Group (PEG)** is an approved PYP provider for the Department of Immigration and Border Protection for international student ICT and Accounting graduates. They have provided 7,750 PYP internship places since being approved. In addition, PEG offers non-PYP internships in Marketing, HR, Finance, Logistics/Supply Chain, Accounting and IT. Their website indicates that they have placed 5,000 interns in 1,850 companies in Sydney and Melbourne and that their employer partners include Coca-Cola Amatil, Johnson & Johnson, Lend Lease and Westfield.

PEG also offers programs, seminars and workshops packaged as their Career Skills Program. They state that it is designed to “ensure graduates are better prepared for the job market and workforce. The interactive content has been developed by drawing on our expertise in recruitment, professional services and training, and our direct connection with 1,850 companies...Our tailored programs can be presented in small or large scale formats and are entirely customised to meet students’ specific needs and support their technical training.”<sup>30</sup>

The education partners for PEG’s Career Skills programs<sup>31</sup> are:

- Macquarie University’s Department of Accounting and Governance
  - Participation and Community Engagement (PACE) Program
  - Professional Career Skills Program
- Charles Sturt University, Federation University, Australian Institute of Higher Education, Kaplan Business School
  - Careers Skills Workshops
- Federation University, Melbourne Polytechnic
  - Victorian Government Internship Initiative - Study Melbourne (facilitated by Australian Technical and Management College – ATMC).

<sup>29</sup> <http://www.premiumgraduate.com.au>

<sup>30</sup> <http://www.performance.edu.au/career-skills>

<sup>31</sup> Full details (such as they are) are at: <http://www.performance.edu.au/case-studies>

## International competition

Given Navitas' global footprint, this report also provides some insight into the leading international internship specialists, most of which offer internships in Australia. It is a crowded field.

Based in Austin, Texas, Academic Programs International (**API**)<sup>32</sup> offers US and Canadian students internships in almost every major discipline area in Australia (Brisbane, Melbourne and Sydney), New Zealand (Auckland and Wellington) and Spain (Barcelona and Seville), plus Buenos Aires, Dublin, London, Santiago and Shanghai. Aside from its internship programs, API has operations in 23 countries across the globe and places students in Study/Volunteer/Teach Abroad programs, Gap Years and Language Schools.

Internships in Australia through API cost individual students \$6,350 (which also includes accommodation while in Australia for the duration of the internship). Costs vary depending on the country selected and typically last 6-8 weeks. API claims to be able to arrange most internships within a 4-8 week period.

Specific information about their internship host employers is not available on their website, however in Australia API offers an 'Academic + Intern' program in partnership with LaTrobe University that allows students to accrue credit, and they also offer 'standard' study abroad options with La Trobe (\$4,900 per semester), Griffith University (\$6,400 per semester), and Macquarie University (\$6,400 per semester).

Based in the US (Hawaii and Washington), the **Institute for Global Studies**<sup>33</sup> is another company offering outbound internships to Australia. With a focus on travel experiences with a serious study component, this company matches students with host companies in Australia, and provides structured orientation programs on arrival in Australia. Programs are available in resource conservation, IT, animal science, communication and media, community development, legal, tourism, sports management, arts and culture, business, education, social services, and marine biology. Hosts include some community development programs and researchers, however aggregated host information is not available.

In addition to Australia, destinations include Argentina, Brazil, Costa Rica, Ecuador, England, Fiji, France, Hawaii, India, Nepal, Mexico, New Zealand, South Africa, Spain, Thailand and the USA. The length of internships can be negotiated between the intern and host employer, with placement costs and accommodation listed as \$9,250 on the website.

**Internship Provider**<sup>34</sup> is a European company that specialises in internships in Australia, New Zealand, Canada, the US, China, Malta, England and Ireland. The company organises more than 600 internships a year. A member of AIIA and Aussie Specialist, Internship Provider has two employees in Australia looking after their internships. Information on Australian host companies is not available, but the company is offering numerous internships across a wide range of areas, including ICT, marketing, real estate, tourism, multi-media design, fashion, education, and arts and entertainment.

Internship Provider charges around \$1,000 US to place interns, and provides a range of travel and accommodation assistance.

---

<sup>32</sup> <https://www.apistudyabroad.com/intern/>

<sup>33</sup> <http://gointern.com>

<sup>34</sup> <http://www.internshipprovider.com/internship-abroad/australia>

Other providers include:

- Arcadia University (not a university) <http://studyabroad.arcadia.edu/find-a-program/internships/>
- CIS Abroad <http://www.cisabroad.com/intern-abroad/australia/intern-in-australia>
- Global Choices <http://www.globalchoices.co.uk/gap-year-jobs-20.php>
- Global Recruitment Centre <http://www.go2globe.org/#!/internship-programs-in-australia-student/cqur> (for 18-31s)
- International Internships <http://www.international-internships.com>
- The Education Abroad Network <http://teanabroad.org/contact/>
- Wise Abroad <http://www.wiseabroad.org/programs/intern/>
- World Endeavours <https://www.worldendeavors.com/intern-abroad>
- World Internships <https://www.worldinternships.org/australia/>.

## Universities and other tertiary education providers

Graduate employability is a key focus of most institutions and there is strong awareness that international students require extra support in order to succeed in the graduate labour market. Many Australian institutions now have dedicated international careers advisers and programs that specifically address challenges faced by international students. Faced with increased demand for work-integrated learning (WIL) among both international and domestic cohorts, many institutions are developing strategies to scale up WIL programs and particularly to prepare international students for work placements.<sup>35</sup>

Given the myriad relationships between education providers and both internship specialists and aggregators (whereby what appears at first sight to be a strong investment by an education provider in internships in fact turns out to be a relationship with one or more service providers), as well as the fact that Navitas developed its Study to Work program out of its strengths in the PYP program – this section of the competitor analysis considers those education providers with approval for more than two PYP disciplines as Navitas’ main competition at this stage in the internship arena.

There are six education providers/groups which, like Navitas, have a strong offering in the PYP program and a number are leveraging this to deliver other internship and WIL offerings. They are:

- ATMC
- Education Centre Australia
- Holmesglen TAFE
- Monash College
- QIBA, and
- Swinburne University of Technology.

Presently both Swinburne and Monash are focused on providing WIL (including a range of internship placements) for their respective university students and graduates. The other four organisations offer WIL for a range of educational providers.

---

<sup>35</sup> It is considered likely that, in the short-medium term, most employers will still perceive a need for international students to be prepared and work ready for a role in an Australian company, and as such there will likely be an ongoing demand from this target group for paid preparatory services combined with internships.

**ATMC** (a recent Navitas Study to Work partner) was initially established in India and is now an Australian registered VET provider in its own right, as well as operating as a pathways college for Charles Darwin University, Federation University, and the University of the Sunshine Coast. ATMC also has campuses in Sri Lanka and Malaysia and a partnership with a related entity in India. Its focus is on international students.

ATMC has approval to offer the PYP IT program on behalf of the Australian Computer Society. It also offers Job Placement Assistance which includes resume preparation and mock interviews. The ATMC website states that “students have obtained work placements as a result of ATMC’s assistance. (Put link here to Graduate Work Placement brochure(sic)).”<sup>36</sup>

Education Centre Australia (**ECA**) is a group of private education providers, which also operates the Sydney campus of Victoria University. The three organisations in the group are:

- Australian Pacific International College (APIC)
- English Language School in Sydney, and
- Zenith Business Academy.

ECA has PYP approval for Accounting and ICT and is also approved by the Australian Computer Society to offer its Diploma of IT. In addition to its campuses in Australia (Sydney and Melbourne) ECA has campuses in India (Ahmedabad and Chandigarh) and the Philippines (Makati City). Its overseas campuses offer six to 12-months study in country prior to being placed in an overseas university. At this stage ECA does not offer other internship programs but is well placed to do so off the back of its PYP approval and relationships in the Accounting and IT industries.

---

<sup>36</sup> A search of the ATMC website did not locate a copy of the Graduate Work Placement brochure.

### Leading the competition: Monash College

In its 20 years of operation Monash College<sup>37</sup> has shifted its focus from operating solely as a pathways college offering international students foundation studies prior to entry to Monash University, to a provider which also offers a range of WIL programs to Monash students and graduates.

Like Navitas, Monash College is an approved PYP provider for all three streams of the program – Accounting, Engineering and ICT. Monash claims to find internship places for 100 per cent of its PYP participants and that 70 per cent are subsequently employed in their field within six months of completing their internship.

In addition to the PYP program, Monash also currently offers a Global Professionals Program (designed to deliver short 2 week in bound study tours for overseas students with the option to add an additional 1-2 weeks of professional skills and a work based project).

Anecdotally it is understood that Monash College has been investing heavily in its internship offerings and has redesigned its programs to provide a significantly expanded offering. It is also understood that Monash College is recruiting more than 100 additional staff.

Monash College's website states that it currently educates 50 per cent of all international students that enrol at Monash University. In 2015 there were approximately 22,000 international students at the university, giving Monash College a target market of at least 11,000 students to advertise its PYP and new internship programs to.

Despite having PYP approval for Accounting, Engineering and IT, **Holmesglen** TAFE is yet to link these PYP programs and internships to its Graduate Employment Services. At this stage, Holmesglen's services to non-PYP participants include only:

- Job Readiness Coaching
- Employment Assistance (reviews of cover letters and resumes, and the Graduate Employment Service will contact employers on students' behalf to promote them for advertised and future full-time, post-study, opportunities), and
- Provision of Career Information resources.

Originally based solely in Queensland, **QIBA** is now a national VET and ELICOS provider. Delivering only two VET Diplomas/Advanced Diplomas (in Leadership and Management) and ELICOS, QIBA has focused its operations on the course offerings of the PYP and has approval for all three PYP disciplines (and aside from Engineering offers a national PYP footprint).

At this stage QIBA does not arrange internships for its PYP students. It specifically states that internships must be "self-arranged" and offers significantly cheaper fees for its PYP Accounting course (\$8,000), although it charges the industry standard of approximately \$12,000 for the IT Program and \$15,000 for the Engineering Program. Given the care and attention, and organised

<sup>37</sup> <http://www.monashprofessional.edu.au>

internship placements offered by providers like Navitas, it is surprising that QIBA continues to be competitive in its IT and Engineering PYP offerings.

### Leading the competition: Swinburne University of Technology

While other universities are talking about Work Integrated Learning<sup>38</sup> – Swinburne is already very well advanced on a suite of WIL offerings which position it at the forefront of professional/work relevant education in the Australian university sector.

In 2016 in addition to its PYP offerings, Swinburne is offering Professional degrees for all high achieving domestic and international undergraduate students in nine discipline areas:

- Bachelor of Arts (Professional)
- Bachelor of Business (Professional)
- Bachelor of Computer Science (Professional)
- Bachelor of Engineering (Honours) (Professional)
- Bachelor of Games and Interactivity (Professional)
- Bachelor of Health Science (Professional)
- Bachelor of Information and Communication Technology (Professional)
- Bachelor of Media and Communication (Professional)
- Bachelor of Science (Professional).

The degrees take three and a half years to complete and include a 12 month paid work placement. In addition, from 2017 Swinburne will introduce a new Professional Internship offering, allowing all domestic and international undergraduate students (with a credit average in their studies and who meet any additional entry criteria set by their faculty) to undertake an unpaid internship as part of their undergraduate degree and earn credit points for it.

In 2017 it will also offer students the opportunity to undertake a six or 12 month paid industry placement in its new Professional Placement program and receive credit for it towards their degree. The program is subject to a competitive entry process and replaces Swinburne's existing Industry Based Learning Program.

### Aggregators

Aggregator business models rely on charging fees for advertising, and running other subsidiary services. Relationships tends to be directly with students as members/subscribers to the site, and with employers, rather than with universities or other education providers. Aggregators do not typically offer preparatory services to students, however their business model is in direct competition with efforts by Navitas seeking to partner with employers and to expand their student numbers. Some aggregators also advertise competitor organisations who offer similar services to Navitas – eg Student VIP is an aggregator site that advertises internships at a number of companies like Ernst and Young and PWC, and also links internship placement specialists such as PGP and The Intern Group.<sup>39</sup>

<sup>38</sup> <http://www.swinburne.edu.au/current-students/work-integrated-learning/your-options/professional-degrees/>

<sup>39</sup> <http://studentinternships.com.au/area+business>

### Australian competition

**Student VIP**<sup>40</sup> claims to be Australia's "largest specialist student internship website". With a membership of 864,205 students or what it claims to be 46 per cent of Australian university students, Student VIP has links to major Australian firms including KPMG, Shell and Ernst and Young. It provides advice to aspiring interns about who the big firms are and what opportunities are available to them. Student VIP targets students directly, offering subsidiary services such as a textbook and subject notes market, access to tutors and subject ratings, as well as links to sites like [Flatmate.com.au](http://Flatmate.com.au). While it does not directly target international students, and some of the internship opportunities are open only to Australian citizens, student VIP is clearly operating a model which is attractive to students and provides an avenue for host employers to connect with prospective interns.

Another Australian company, **GradConnection**<sup>41</sup> is a jobs and internships board originally established in 2008 by frustrated graduates. It offers students the capacity to connect directly with internship opportunities, as well as internship placement specialists – eg PGP is also advertised on this site.

Students at Australian universities appear to be very active on **GradConnection** – the full list<sup>42</sup> is too long to reproduce here, but it includes thousands of students at most Australian universities (including Curtin University, Deakin University, Swinburne, UNSW, the University of Melbourne, QUT, RMIT, University of UQ, Sydney, University of Technology Sydney), and a large number of private higher education and VET providers. While much of the activity on the site is for job opportunities rather than internships, Grad Connection host employers currently advertising internships include large Australian and international companies, such as IBM, JP Morgan and Santos. GradConnection also connects students to other agencies providing placement services such as ACS Foundation,<sup>43</sup> and Premium Graduate Placements.<sup>44</sup>

Finally, Dominique Fiscer, CEO of Career Lounge, has just made a high profile step into the internships space in Australia using an aggregator model. Paddl<sup>45</sup> was launched recently by the Minister for Vocational Education and Skills. It links students at a small group of education providers (currently Deakin University, Holmesglen TAFE and private VET provider, Entamio Education) to internships offered by some of Career Lounges' large employers. They include Myer, Ray White, AiGroup, Crown, Metro Trains, Australia Post<sup>46</sup>.

### International competition

**Internships.com** (which claims to be the world's largest provider of internships) is owned by Chegg<sup>47</sup>, a student services provider offering textbooks (purchase, hire and sale), access to student scholarship information, online tutoring and test preparation, amongst other services.

---

<sup>40</sup> [www.studentinternships.com.au](http://www.studentinternships.com.au)

<sup>41</sup> <http://au.gradconnection.com>

<sup>42</sup> <http://au.gradconnection.com/universities/>

<sup>43</sup> <http://au.gradconnection.com/employers/acs-foundation/#acs-foundation>

<sup>44</sup> <http://au.gradconnection.com/employers/premium-graduate-placements/#premium-graduate-placements>

<sup>45</sup> <https://au.paddljobs.com>

<sup>46</sup> Ms Fisher is a Board member of Australia Post.

<sup>47</sup> <http://www.chegg.com>

Focusing solely on the US, Internships.com claims to have delivered 162,698 internship positions at 100,172 companies located in 8,361 cities across all 50 states in the US. They also undertake surveys of their interns and employers and stated that in early 2014:

- 67 per cent of the college class of 2013 completed at least one internship during college – a 6 per cent increase over last year
- 56 per cent of companies planned to hire more interns in 2014 than they did in 2013
- 84 per cent of employers offer summer internships, while 80 per cent offer fall/winter internships and 78 per cent offer spring internships
- 84 per cent of employers say hiring interns was a positive experience; 87 per cent of students say that their internship was a positive experience.<sup>48</sup>

Based in Berkely, California, **Go Overseas**<sup>49</sup> is a listing and reviews website for a range of overseas study programs. They connect students to internships in Australia, as well as Study/Volunteer/Teach Abroad programs, Gap Years, TEFL and Language Schools. Go Overseas acts like TripAdvisor, allowing students to search 40 internship offerings by program or peer rating. It links students to mainly US and UK internship specialists like API International, Internship Provider, Institute for Global Studies, University of Sydney, International Internships LLC, and CISAbroad, however there is at least one Australian internship specialist on the site – PGP.

**GoAbroad**<sup>50</sup> is a US company committed to providing a one-stop information center for students wishing to travel internationally. The site was created to link prospective travelers with organisations providing international opportunities. GoAbroad connects US students with internship specialists and in some cases government sponsored opportunities across the world. It links students to internship specialists that include many of those captured by other aggregator sites.

### Summary

C&I offer a suite of programs which have at their core a placement service for an internship offered at a host employer, generally of 12 weeks duration, and a preparatory program to ensure interns are ready for the workplace. Within this suite of products, PYP offers the 'formal' government-approved program that allows students to accrue points towards permanent residency. Study to Work is positioned as an entirely flexible program with mix and match components. Both are pitched at universities as a primary audience, and both have internships as their central focus.

The competitor analysis demonstrates that the internship 'space' in Australia and overseas is extremely crowded. In Australia, from a previously low base, demand for WIL and internships is surging and some organisations are already dominating the space.

A number of well regarded specialist organisations exist with partnership relationships to many leading Australian companies and educational institutions. At the same time there is growing competition from lower cost aggregators which, although they do not offer the pre-placement support offered by Navitas, also have relationships with leading employers and appear to be meeting their needs for work-ready interns. It may be that these services are of more use to domestic students who have more familiarity with the Australian work environment and its mores, whereas international students may receive better value from the preparatory model prior to commencing their internship.

---

<sup>48</sup> <http://www.internships.com/eyeoftheintern/news/idc-news/internships-survey-2014-internship-trends/#sthash.GmZyrBlk.dpuf>

<sup>49</sup> <http://www.gooverseas.com/internships-abroad/australia?page=1>

<sup>50</sup> <http://www.goabroad.com>

There are a number of educational organisations delivering the PYP and a handful offer all three programs, some in an increasingly national footprint. At this stage most have not yet branched out into offering other more flexible internship programs but it appears that Monash College is poised to do so. Similarly, it is too early to determine what impact Swinburne’s extensive foray into professional education will have but it is likely to put significant pressure on other universities to respond. A growing number of these universities already have established partnerships with internship service providers and it is unclear if or why they would turn to Navitas to help them bridge the gap between their current offerings and the “Swinburne model”.

FINAL DRAFT

## Future directions

### Potential enhancements to Navitas Study to Work program

Study to Work is now approaching 12 months since its launch. During interviews, staff at all levels talked about the significant growth opportunities for Study to Work, and were enthusiastic about the sense of energy associated with 'Navitas 2020' and the emphasis on a 'whole of Navitas' approach. Leadership team members were clear about the global, strategic and market drivers that have catapulted employability skills to the forefront of international and domestic tertiary education, referring to the need for Navitas to develop a global capability in this space. There was universal agreement that *"internships are key"*.

Despite this, there is consistent recognition and awareness that Study to Work has yet to flourish. While there is a degree of consistency in views about what the barriers and blockages are, there is not yet the same level of coherence in discussions around a way forward. At the same time, Study to Work's competitors are making rapid in-roads into this part of the market.

As a consequence of the feedback received during the project and our analysis of the current status of Study to Work, this section identifies a number of barriers currently impacting on the growth of Study to Work.

### Barriers to growth

#### Organisational

There was near-universal agreement during the Discovery Phase interviews that there are organisational issues impacting on the performance of Study to Work, and that these should be addressed. These include:

- Staff concerns regarding the adequacy of non-PYP programs – leadership team members and C&I national managers commented that it has been difficult to motivate staff to market Study to Work – particularly Industry Placement Coordinators (IPCs), who do not believe that Study to Work prepares students to the level required for industry placement in the way PYP does, and are concerned about potential damage to industry partnerships if students are not work-ready.
- Incentives – current staff incentives appear to be skewed to PYP, and the targets and rewards for enrolling students in Study to Work appear to not yet be well understood by staff, who continue to promote PYP in the belief that it generates more income for Navitas and greater rewards for them.
- Team rivalry – multiple reports referenced an ongoing rivalry between the state-based teams. While teams thrive in an environment that incorporates both competition and cooperation, the national managers do not yet appear to have introduced the cooperative supports necessary for overall team synergy. It is hoped that the work of the consultant currently working with the team on organisational issues will be able to provide specific assistance on this issue.
- Management – the national management team created in 2015 does not yet appear to be working as cooperatively and efficiently as required, particularly with the state based teams.

Navitas staff at all levels expressed the view that the current structure will need to be modified to improve clarity in reporting relationships, and foster a more cohesive approach both between the national management team and state based teams, and across the state teams.

### Planning for growth

The current level of planning within C&I to grow industry partnerships appears to fall well short of what is required to develop the scale necessary to achieve the target enrolment growth of 20,000 students/individuals per annum. The CLS Strategic Plan 2015-17 provides a comprehensive suite of actions for business improvement, and includes the initiative which presumably led to Study to Work – Strategic Initiative C13, ‘Diversify program offerings and identify new opportunities’.

However, while the plan includes a number of strategic initiatives and actions that are required for Study to Work to succeed, given the timing of the Strategic Plan it was not designed as a planning document for Study to Work. For example, actions at C15 and C16 of the CLS Strategic Plan are designed to support growth in host partnerships, however as written in 2014, they reflect more of a ‘business as usual approach’ to support improvement in existing programs, and do not sufficiently provide for the rapid expansion envisaged for Study to Work.

C15	Develop host company national strategy	7 – Offer valued outcomes & opportunities  11 – Reinforce & strengthen trusted brand.	-	To set processes, procedures and policies that ensure both IPCs and Host Companies have a simple, seamless methodology for placement and hosting of interns.
C16	Increase <b>quality</b> of host companies	7 – Offer valued outcomes & opportunities  11 – Reinforce & strengthen trusted brand.	-	To fully investigate our current working arrangements with networking events and memberships that we currently use to increase our host companies  - To investigate the opportunity to leverage off current company connections with suppliers, business partnerships and directors and board members.

Despite the Strategic Plan’s ratification in 2014, development of Study to Work as a program offering in early-to-mid 2015, and the subsequent appointment of the BDIEM and development of the ‘Hit List’, no analysis of existing or potential industry/host partners appears to have been undertaken and no evidence was presented during the interviews that indicated work on leveraging current connections is progressing.

C&I staff advised that the host partner database has not been updated since the migration to Sonia (the new student placement database) in late 2015, so that while it currently contains 589 ‘active’ contacts and may cover as many as 24 industries<sup>51</sup>, it includes multiple contacts at the same organisation and may include contacts which are no longer active (or even employed by the partner

<sup>51</sup> Based on the list of industries available for internships in the PIP program, as published on the Navitas website, host partners may include the following industry areas: Accounting, Architecture, Banking, Biological research, Business administration, Charities and non-profit, Customer service, Energy, Engineering, Environmental science, Event management, Finance, Graphic design, Human resources, Information technology, Insurance, Interior design, Logistics, Manufacturing, Market research, Marketing, Public relations, Sales, and Telecommunications. <http://navitas-careers-and-internships.com/programs/professional-internship-program/>

organisation). As a result, the BDIEM and state based managers do not have precise information about the number of industry partners available and willing to take interns or participate in any other components of Study to Work – such as guest lecturing – or how many internships they might be prepared to host. In addition, while the Strategic Plan includes an action to investigate the capacity to leverage existing connections with potential host partners (C16), it is not clear that steps have been taken to enact it.

State based managers and IPCs have direct relationships with industry partners, and may have a better understanding of the relationships available to them. If C&I is to achieve significant growth in Study to Work, it is critical that time is taken to ensure that information held on host partners is up to date, reliable, and accessible to all relevant members of the unit. Without a comprehensive and reliable database of host information, C&I is at risk of being unable to place interns and if multiple staff contact the same industry contact seeking placements and/or contact inactive partners there will potentially be significant associated reputation damage.

While progress needs to be made on industry/host partners, some work has been done on expanding the pool of potential university/source partners, with a 'Hit List' of potential partners identified by the BDIEM<sup>52</sup> and activity underway to develop partnerships. As noted earlier, partnerships are currently in place with Curtin University (in Perth and Sydney) and La Trobe University, as well as Swinburne and ATMC. Discussions are underway with a range of potential new partners including Ballarat Grammar School, Newcastle International College, Sydney Institute of Business and Technology and Victoria University; and potential overseas partners including Navitas' Curtin Singapore operation, Navitas UAE, and several agents with links to Albania, China, Thailand and the UAE, as well as an opportunity to deliver customised training to the Thai defence force.

C&I staff also advised that there is increasing interest from Navitas Pathways Colleges in offering Study to Work components, which would provide value to students (by providing them with insights and experiences related to working in an Australian professional context) and value in marketing their institution to international students. All three of the Pathway College heads who were interviewed<sup>53</sup> were positive about the potential to deliver Study to Work components during and at the end of the students' pathways' experience, with discussions apparently at a very early stage with each.

While the number of current and potential partnerships is relatively small, without a sufficient understanding of Navitas' current industry host partners (including the extent of their capacity and interest to take additional interns) or a strategy to rapidly expand the pool, focussing on expanding source (education institution) partnerships poses risks. While securing additional source partners is clearly a key component in increasing enrolments, as noted above, there are significant risks to Navitas' reputation if C&I does not have sufficient industry partners ready to take interns.

Finally, while Study to Work is being marketed to universities as a program which can be rolled out to students in all areas of study, and the workshop components and accredited units of competency are generic enough to be offered across the full range of university/tertiary courses, C&I appears to have a relatively narrow range of host partners. Given that there is unanimous agreement that it is placement of interns that represents Navitas' 'market edge', going forward the inability to offer placements beyond the current narrow range of industries is a major risk to achieving the target of 20,000 enrolments – it limits placement options, and if not remedied may see potential university/source partners look to other organisations for placements if Navitas cannot deliver.

---

<sup>52</sup> See Appendix 6.

<sup>53</sup> Heather Tinsley (Sydney Institute of Business Technology), Malcolm Baigent (Perth Institute of Business Technology), and Ben McCully (International College Western Sydney University).

## Product definition

During the Discovery phase, key C&I and Navitas staff noted that potential partners have trouble understanding what Study to Work is, with multiple explanations often required in order to successfully describe the program. More than one Navitas staff member admitted that they did not fully understand what is really on offer through Study to Work.

By contrast, PYP – C&I's leading program – was described as a quality program with a strong brand. The PYP product offering is clear:

- approved by the Australian Government
- extends the stay of international students in Australia
- assists them to gain work experience and potentially longer term employment via a structured internship, and
- provides a migration pathway.

Undoubtedly the government imprimatur and migration link help students and employers to identify the value of this program. It also means the product is very clearly defined, and easy to understand.

While the decision to 'unbundle' a number of components of PYP and offer them through Study to Work with shorter preparation and internship periods as part of a suite of customisable 'optional extras' was designed to broaden Navitas' offer to the market, provide more flexibility to potential partners, and attract a wider range of source partners, to date it does not appear that it has had the desired effect.

As currently presented to higher education providers and agents, the key advantage of Study to Work is the entirely flexible 'mix and match' components available to suit their student cohort. This is despite the fact that it is the internship placement service that was most frequently identified by Navitas staff as the most attractive component, and (with a very small number of exceptions) is the main component currently being sought by partners.

Universities in particular were identified in interviews as a key target market for Study to Work, because of the capacity to prepare students for and place them in internships. C&I staff believe that they have a market advantage in the existing scale and efficiency of industry partnerships, and claim that Navitas has a larger range of industry partners than universities, with universities – who have not been set up to deliver WIL and have traditionally been slow to move – likely to be keen to partner. There was also discussion of partnering with universities to deliver workplace experiences as part of Study Tour programs, for similar reasons.

It is not clear what market research was done prior to the decision to roll out Study to Work in its current format, or to what extent existing higher education partners and agents were interested in a product with such a varied number of components as Study to Work currently has. As noted previously, while there is a range of data and market intelligence available about PYP, the same is not true for Study to Work. While this is in part because of system changes within Navitas and the newness of the Study to Work offering, it does not appear to have assisted C&I in growing enrolments in this area.

A number of options for expanding the Study to Work program offering were put forward during interviews, including increasing the volume of study tours (with a work placement) via agents, and developing a new range of online, automated recruitment tools to streamline internship placements and potentially offer companies support in their own assessment of a candidate's job-readiness.

At this point, adding to the range of ‘mix and match’ options available under the Study to Work banner seems unlikely to result in a clearer product offering for potential partners.

### Branding and credibility

Differing views of Navitas’ position and reputation in the market were presented during the Discovery Phase interviews, with concerns expressed about negative perceptions in some quarters, confusion created by the use of the ‘Navitas Professional’ brand, as well as the number of Navitas entities operating in related areas.

While Navitas has earned a reputation for successful placement of students through PYP, the shift into a broader range of industry-related activities without detailed industry data and with a lack of clarity in the Study to Work offerings may not be strengthening the Navitas brand. Although senior staff commented that Navitas does relationships well, a number of staff raised concerns that Navitas is perceived by some to be an aggressive competitor rather than a potential partner by a number of universities with whom it would potentially like to do business.<sup>54</sup>

By contrast, Navitas’ position as an ASX100 company and provider of outstanding educational quality is reflected in what staff identified as its strong reputation with agents and international partners (although as noted previously, no market intelligence was provided to support these comments).

Some C&I staff expressed concern that the brand recognition of Navitas and the ‘Navitas Professional’ brand can confuse providers when dealing with multiple individuals from Navitas. The ‘Navitas Professional’ brand covers a wide range of courses, from Health and Community Services, Business and Management, Public Safety, and Business Production (Manufacturing, Transport and Logistics). In combination with the other Navitas entities that offer internships (SAE and ACAP), the number of Navitas staff who may be attempting to contact potential higher education and industry partners, risks causing confusion when initiating contact and seeking to create brand recognition for Study to Work. Pathway College heads share the concern about the potential for confusion caused by multiple contacts from Navitas engaging with individual partners, and in relation to Navitas’ university partners they are eager to ensure that where contact is made, it should be through the existing Pathway College partnership.

C&I staff noted that while there may be brand awareness issues externally with Navitas’ divisions and business units, brand awareness of Study to Work is also not yet high within Navitas – and this was consistent with observations from other Navitas staff who were interviewed during the project. This issue appears to be related to the lack of clarity in what the Study to Work program offering is. It is likely, although it could not be tested during the project, that this may have an impact on the credibility of the offering to internal staff, and could be limiting the likelihood that staff will recommend or cross-sell Study to Work to potential partners – whether higher education providers, agents or industry partners.

The lack of product definition is also apparent in the online and hard copy marketing materials. While work has been done over the last six to twelve months to develop promotional material specifically for Study to Work, there remain a number of issues with the material available.

---

<sup>54</sup> These reports were anecdotal and it was not possible to test them as part of the scope of the project.

Specifically it is noted that:

- The website
  - is not easy to navigate
  - presents largely low-level examples of partnerships, and
  - provides confusing descriptions of what is offered as part of Study to Work – eg it refers to Study to Work as a tailored solution for higher education providers and agents looking for work-readiness training packages and access to industry placement opportunities, and refers to ‘tailored packages’, but the description is vague, and essentially a catalogue of the components available:  
*“Some of these packages include, but are not limited to, interview and CV writing workshops, work integrated learning (WIL) embedded into course structures and internships placements.”<sup>55</sup>*
- Hard copy materials are similarly unclear.
- Information for hosts focuses on WIL rather than on internships.<sup>56</sup>
- The Study to Work marketing materials do not position Navitas as being at the forefront in preparing students for an exciting career in the global economy, and are not convincing in portraying potential interns as of the highest quality.

C&I advised that work is underway on video promotional material, and there is interest from senior staff in exploring the use of apps and more interaccional web content. These options should be pursued as part of a renewed marketing strategy for C&I once issues with product definition have been considered.

The current Study to Work model includes a range of industry engagement activities with Navitas Professional’s networks and industry partners, including:

- networking events
- group project work
- guest speakers
- site visits.

However, in contrast with many leading internship providers there is no easily accessible publicly available list of Navitas’ industry partners.<sup>57</sup> None of the 12 industry partners which can be found on the website are instantly recognisable national or global name companies – with the exception of a case study featured under the news section on a guest lecture by a mid-ranking accountant from KPMG.<sup>58</sup>

---

<sup>55</sup> <http://navitas-internships.com/education-partners/study-to-work/>

<sup>56</sup> Navitas Professional Host Company Fact Sheet, provided at interview.

<sup>57</sup> Although information on 12 industry partners can be found under the host partner link, if you know where to look.

<sup>58</sup> <http://navitas-internships.com/news-and-events/news/>

## Scenario planning

### A way forward

Based on the information provided during interviews and subsequently, and on the findings of the competitor analysis, in its current form it is unlikely that Study to Work will be able to deliver on the C&I target of 20,000 enrolments per annum by 2020.

As a consequence, and given the crowded internship marketplace, and the significant steps into WIL that Swinburne and Monash are taking, Navitas needs to clarify what it wants Study to Work to deliver. It is considered that there are two, complementary, options available to C&I at this stage:

#### Scenario A – Study to Work: a PYP alternative

Given the current focus of demand from Navitas' source partners is mostly for Study to Work's internship offerings, it is suggested that in the short term C&I focus on strengthening its delivery of these internships.

To achieve this C&I will need to:

- review its host partnerships database to make sure that all details are correct
- identify a partnership 'owner' for each partner and clearly identify them in the database
- charge the Navitas partnership owner with carefully detailing the partners' needs from Navitas, and undertaking a brief assessment of the other internship partners the host currently works with
- expand the current industry focus of the host employers from the existing industries into new industry areas
- work to actively change the (unstated but frequently expressed) view within C&I of employers as 'suppliers' of places for Navitas interns, and instead ensure staff view them as an explicit segment of the market that Navitas can provide services to (ie remembering that employers receive multiple benefits from hosting internships)
- selectively expand its source partners (the universities currently have the largest number of students who will not yet have had a work integrated learning experience as part of their studies, using its Pathways relationships and an expanded list of industry partners – Navitas should carefully cultivate new source partners from across the university sector as a priority)<sup>59</sup>
- revise marketing materials to support the expansion of Study to Work to new host employers in new industries and to advertise details of Study to Work internships to all Navitas Pathways colleges and other Navitas educational institutions<sup>60</sup>
- continue the organisational development work currently in place to build greater team cohesion, and
- revise incentives for staff in relation to Study to Work internships.

This option recognises the core program component in the Study to Work offering is its capacity to deliver internships, supported by effective preparation. It seeks to address the barriers to growth

---

<sup>59</sup> ATMC – a new short-term partner for Study to Work is also a competitor. It is unclear based on the information provided that ATMC and others like them either add to the Navitas brand or can help generate the level of growth in numbers they can bring, relative to the numbers associated with a university partnership

<sup>60</sup> The Discovery phase of the project did not allow for analysis of how Study to Work's internships compare to those on offer by SAE and ACAP. Senior Management within Navitas will need to determine if Study to Work should also handle internships for ACAP and SAE.

identified in the report, and while it will position C&I to achieve substantially more growth in Study to Work and develop credibility as a go-to for internships, it is unlikely to deliver the rapid growth Navitas is looking for by 2020.

#### Scenario B – Study to Work: a cohesive, WIL offering

If C&I wishes to continue to offer Study to Work as a fully customisable WIL program (including internships and the full range of optional extras), and deliver on the Navitas 2020 vision, it needs to commence on the work identified in Scenario A, and *also* pursue a number of other actions as a priority. These include:

- commission market research to determine what WIL activities current and potential source partners are looking for
- segment, clearly define and advertise the selected Study to Work options (while still allowing flexibility and customisation) to provide source partners and students with a clearer and more targeted set of offerings
- boost the number of major host employers which partner with Study to Work
- consider the purchase of an established aggregator (or a joint venture arrangement) that can deliver a higher level of automation in the internship matching process
- expand the direct student facing options for internships that Study to Work offers and market them aggressively
- discuss with senior management if C&I is the appropriate 'location' within Navitas for Study to Work if it is to be the whole of organisation "Pathways to Industry" business unit in the same way that the University Pathways business unit is, and
- commission an HR review to determine the skills needs of an expanded Study to Work program which has the support of major employers and is being positioned as Navitas' "Pathways to Industry" business unit.

The industry context is competitive, and given the timing of this review, there is still no guarantee this approach would allow Navitas to reach its 20,000 by 2020 goal. It is also important to note that this approach will still require C&I to address the underlying organisational issues identified in this report.