

**CASE STUDY**

# Universidad Peruana de Ciencias Aplicadas UPC



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## WRITTEN BY

The case study was authored by [Juliette Powell](#) and [Art Kleiner of Kleiner Powell International \(KPI\)](#).

## ACKNOWLEDGMENTS

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# Introduction

In its quarter century history, the Peruvian University of Applied Sciences (*Universidad Peruana de Ciencias Aplicadas*, or UPC) has shown that when institutions of higher education follow a path of continuous improvement and innovation, they can sustain their own growth and help support economic prosperity around them. UPC is a private comprehensive university located in Lima, Peru with an expanding base of research activity. It has consistently placed among the top five Peruvian universities in the annual ranking by *América Economía*, a Latin American publication that evaluates institutions of higher education. The declared mission of the university is “to train upright and innovative leaders with a global vision to transform Peru,” a goal that places it in the forefront of technological and social change.

UPC has also earned a reputation for innovation. In the classroom, it practices “student-centered learning” as one of the core pedagogical principles of its educational model, which combines lectures and project-based experiences with feedback and reflection. Outside the classroom, with a special emphasis on digital infrastructure, the university has become a well-known innovator in higher education. Recently, UPC has been an early participant in the IFC's Digital for Tertiary Education Program (**D4TEP**). In this innovative program, universities evaluate and rethink their digital systems and organizational infrastructure, with the goal of improving their digital proficiency to provide better operational support, student experience, and learning outcomes.

UPC's approach to digital innovation became particularly valuable during the pandemic. The university already had experience with remote learning. In 2020-21, it put that to use on behalf of its students and advised other Peruvian universities on how to do the same. Today, UPC is working on a post-pandemic model that will allow students to choose their own mix of in-person and remote courses.

UPC started in 1994 with a single campus and an initial undergraduate curriculum focused on architecture, communications, engineering, and business. It has grown to four campuses in and around Lima, with more than 60,000 students and 52 undergraduate majors. Students seek degrees that will qualify them for careers in business, communications, medicine, engineering, architecture, media, law, health sciences, veterinary sciences, and other professional fields.

UPC has a diverse student body. About 35 percent of the students come from lower-income backgrounds, and a large proportion of the others come from Peru's steadily growing middle class. An estimated 30–40 percent of UPC students are the first in their families to attend university.

The university is known not just for its academic reputation but for its high level of digital maturity and its profitable and sustainable business model. This has been fostered through a clear strategy and the continuous support of Laureate International Universities, which acquired UPC in 2004, and through UPC's ongoing financing relationship with the International Finance Corporation (IFC), which has now partnered with the university through two financing rounds in 2000 and 2012.

This case study shows how a private university can become a learning organization itself, while raising the level of skill and opportunity for the local population.



# We Interviewed 3 University Officials and 1 IFC Education Specialist

We drew on a published interview with one former university official.



**Dr. Edward Roekaert Embrechts**, CEO and Rector; joined the university in 2014.



**Dr. Milagros Morgan Rozas**, Vice Rector for Academic Affairs and Research; with the university since its beginning in 1994.



**Juan Pablo Klingenberger Navarro**, General Director of Admissions, Marketing, Communications, and Institutional Image; joined the university in 2017.



**Clery Luz Neyra Vera**, former Director of Innovation and Transformation, 2017-2021 (her comments drawn from an interview published by IFC in February 2021).



**Alejandro Caballero**, Principal Education Specialist, International Finance Corporation.

# Lessons from UPC's Story



**Expand to fill the demand for higher learning**



**Integrate best management practices from education and business**



**Innovate continuously, embracing digital technology**



**Foster a compelling student experience**



**Build partnerships and alliances for the long term**





## UPC at a Glance

|                                    |  |
|------------------------------------|--|
| <b>Years in Business</b>           | The Peruvian University of Applied Sciences ( <i>Universidad Peruana de Ciencias Aplicadas</i> , or UPC) was founded in 1994 and was acquired by <a href="#">Laureate International Universities</a> , which is based in Baltimore, MD, in 2004.   |
| <b>Business Model and Revenues</b> | UPC has undergraduate and graduate programs and academic programs for working adults. Its student base today exceeds 60,000, growing about 13 percent per year since 2011. Annual charges per student average US\$5,200.   |
| <b>Website</b>                     | <a href="https://www.upc.edu.pe/">https://www.upc.edu.pe/</a><br><br>The primary UPC website contains information about its four campuses, admissions, academic services, and school awards and research.  |
| <b>Academic Reputation</b>         | UPC was the first Peruvian university to earn international accreditation from the US-based Western Association of Schools and Colleges (WASC). It also obtained an overall four-star rating from <a href="#">Quacquarelli Symonds Ltd</a> , a global higher education analysis company based in the United Kingdom. In 2019, UPC was ranked the #2 research university in Peru by the <a href="#">Scimago Institutions Rankings</a> , and the #5 university in Peru by <a href="#">América Economía</a> . UPC has a 96 percent employability rate for its graduates, with 95 percent of graduates working in their chosen field of study. |
| <b>Corporate Governance</b>        | <i>Universidad Peruana de Ciencias Aplicadas</i> (UPC) has been owned since September 2004 by <a href="#">Laureate International Universities</a> , a private university network, now with two universities in Mexico and a total of three in Peru: UPC, <a href="#">Universidad Privada del Norte</a> (UPN) and a technical vocational school, <a href="#">Instituto CIBERTEC</a> .   |
| <b>Investment History</b>          | IFC has provided two loans to UPC, largely for expansion and innovation. The first took place in 2000 and amounted to US\$7 million. The second was committed in 2012 and amounted to US\$39.5 million.  |
| <b>Geographic Footprint</b>        | UPC maintains campuses in four Lima neighborhoods: Monterrico, Chorrillos (Campus Villa), San Isidro, and San Miguel.  |
| <b>Inclusion</b>                   | About 35 percent of UPC's students come from lower-income socioeconomic segments, defined as earning less than US\$750 per month. UPC is currently using its digital technology experience to address the perennial challenge of reducing student drop-out rates.  |
| <b>Workforce</b>                   | UPC has about 2,700 employees, including 993 full-time faculty.  |

## Lesson 1: Expand to Fill the Demand for Higher Learning

When Universidad Peruana de Ciencias Aplicadas was founded in 1994, it was filling an unmet need. Peru had a burgeoning population of young high school graduates, eager for education. Public universities, which had fully subsidized free tuition, could not keep up with the demand.

At first, as a for-profit university, UPC catered to “mid-market” students: undergraduates seeking degrees with which to qualify for jobs out of school. It grew rapidly, becoming a quality-oriented premium university with a wide range of degrees. But it still maintained a significant representation of students from lower-income backgrounds. The combination of long-term financing and broad appeal to students enabled a steady pace of growth. These quotes, from **UPC CEO Edward Roekaert Embrechts** and **Admissions and Marketing Director Juan Pablo Klingenberger Navarro** and **IFC Principal Education Specialist Alejandro Caballero**, describe the university’s trajectory:

▶ **Roekaert:** *UPC was founded with a clear mission to transform the reality of our country for good, through education. Our founders felt that the established system of higher education was too traditional and it wasn’t really achieving the results that Peru needed, so we started challenging the status quo.*

*UPC started with one campus, but it was clear we would need to expand. Lima is a very large city with more than 10 million inhabitants. When you travel within the city you can be in traffic for two or three hours. Applicants told us they would love to study with us but had to go elsewhere because it simply took too long to reach the university. So UPC had to get closer to the market. And we did, building three new campuses.*

*Today, UPC is recognized as one of the best universities in the country. Our growth and positioning have been achieved without relinquishing quality. And we have to thank IFC, because they played a critical role in that process. The financing we received allowed us not only to find great locations, but also to build campuses that replicated the experience we offered at our initial campus.*

▶ **Klingenberger:** *In 2017, when I interviewed for my job with then-CEO Marisol Suarez, I asked: “What strategy has given UPC its tremendous growth?” She answered that it was to be the biggest and the best. I said that couldn’t have been easy. Usually being the biggest implies the lowest price and quality. But I learned that UPC based its growth strategy on demonstrating that we were the best, in academic terms. UPC is now the most valuable brand and has more top-of-mind recognition than any other university in Peru.*

*We recruit students in a three-stage process. First, we prospect. UPC was the first higher education institution in Peru to have a commercially proactive approach of going to secondary schools to find potential candidates face to face. In the past, we had 30 promoters on our team who would show up in schools in person. Now, we use digital tools: massive real-time virtual events and web portals. We reach more than 100,000 students every year. Second, we engage with potential recruits, describing the advantages of studying with us. Finally, we seek closure. We nurture prospective students, answer their questions online, and continually score our interactions so we improve. With the pandemic, we’ve been pushed harder into this digital strategy, and the results have been astonishing. In 2021, we’ve grown 22 percent over last year’s enrollment of new students.*



**Caballero:** *The university enrollment grew much faster than public university enrollment because of the capacity constraints in public*

*universities. Parents and students are voting with their feet. They want innovation. They want universities that think about students as customers.*

## Lesson 2: Integrate Best Management Practices from Education and Business

The word “commercial” is viewed with suspicion in academia; in business, it’s a compliment. Students want to bridge that gap. They want to be able to earn a good living with their degree. But they increasingly seek intrinsic value through meaningful learning experiences that allow them to use their creativity. UPC’s leaders sought to bridge the gap by maintaining high academic standards while adopting corporate ideas about marketing, user experience, and employee engagement. **Roekaert, UPC Vice Rector Milagros Morgan** and **Caballero** describe how UPC balances its different cultures.



**Morgan:** *Our growth is also supported by our quality assurance system. We are certified by ISO, and we have audits every year, internal and external. The institutional and programmatic*

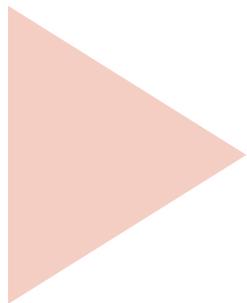
*accreditations and quality standards are very important for us, especially at a time when we are blending online and face-to-face learning processes. It allows us to be very consistent; what we do is supported by solid certification and world-class accreditations.*



**Roekaert:** *Our institutional accreditation allowed us to foster a culture of self evaluation and continuous improvement. It allowed us to grow while maintaining very high standards.*



**Caballero:** *UPC borrows a lot of best practices from the consumer goods industry. For example, they were one of the first in the university space to implement net promoter score (NPS) measurements for customer satisfaction.*



“UPC was founded with a clear mission to transform the reality of our country for good, through education.”

—Dr. Edward Roekaert Embrechts

## Lesson 3: Innovate Continuously, Embracing Digital Technology

From the start, UPC has been a leader in innovation, particularly for digital technology. It went through a ten-year-long intensive process, starting with equipping all undergraduate courses with comprehensive instruction software. It converted its library to digital textbooks and different formats, and started using virtual classrooms several years before the pandemic, making digital laboratories, streaming videos, and other information available to faculty and students on a 24/7 basis. The university then used digital tools to enhance its learning processes. For example, teachers created games on platforms such as **Minecraft** and Wild Goose. At the same time, it invested in digital administrative processes, with an eye toward better campus experiences, and stronger university-student relationships. Former **Innovation Director Clery Neyra** and **Caballero** explain:

▶ **Neyra:** *UPC started its digital transformation before the pandemic. Our goal was to create the best digital ecosystem for students, teachers, and staff. Everyone in the university participates in the innovation process, presenting ideas for review.*

▶ **Caballero:** *The university has set up enough teams of people that they can run 40-50 innovation projects in parallel, with a structure that separates day-to-day operations very clearly from strategic new project development. That enables them to significantly speed up innovation capabilities.*

*Many universities generate innovative ideas, but they're less skilled at execution, at prioritizing their initiatives, or at bundling them together. UPC is very good at all of this. It has an excellent team in terms of new idea generation, and it has an astute marketing strategy, governance model, and organizational structure. They're riding the*

*wave of technological advances by using predictive models to reduce dropouts or creating a one-stop shop online for access to administrative services.*

When the pandemic struck, UPC's digital experience had prepared it for remote learning. They had begun experimenting with online videos, documents, and class participation since the 1990s. As a result, other universities in Peru reached out to them for support and advice during the early months of 2020 when the pandemic first forced schools to switch to online.

At the same time, UPC's leaders were themselves eager to advance further along the learning curve. They joined an IFC-sponsored initiative called the **Digital For Tertiary Education Program (D4TEP)**, launched in 2020. The program combines in-depth assessment of a university's digital practices, identifying gaps and helping the university design a direction for rethinking and improving them. At the time of this publication, there were three universities engaged in the program: The University of the Andes in Bogota, Colombia; Maharishi Institute in Johannesburg, South Africa; and UPC. At UPC, the D4TEP initiative is closely integrated into the overall innovation process. All five people in this case study involved in UPC and D4TEP commented on the D4TEP experience:

▶ **Neyra:** *COVID added impetus to our digital transformation roadmap. Suddenly, digital tools were the whole of the education experience. We had to transform sports and cultural and social activities to the digital format. You need to put in place a robust digital architecture and infrastructure that allows students to function on their own. We use leading software, we have created virtual laboratories, and we have a library with more than 370,000 digitized documents.*



▶ **Morgan:** I participated directly in the D4TEP process, and it was very thought provoking. The program surveyed many members of the university. They wanted to know about the student journey. It was interesting to contrast what the stakeholders told the survey against what we were thinking. D4TEP helped us review our strategies, what we were doing right, and what adjustments we needed to incorporate.

▶ **Klingenberg:** On the marketing and the commercial side, we learned to do things in a more efficient way. In the past, most of our prospecting events were conducted in five-star hotels. It was very expensive to bring 4,000 people to a single place. Now we do it virtually. We've built a platform that enables us to host massive virtual events of 30 or 40 simultaneous live streaming talks, and we process thousands of applicants. We don't want to go back to the old face-to-face approach.

▶ **Roekaert:** The experience with D4TEP came at a great moment. It helped us gauge and evaluate our digital transformation journey.

It also allowed us to compare ourselves against world-class institutions, and in the process discover new opportunities.

In the years to come, we don't see ourselves investing heavily in bricks and mortar. We rather see ourselves investing in disruptive technologies to provide our students and faculty with the best learning environment.

▶ **Caballero:** D4TEP emerged in part as a response to the pandemic. With classes going digital, students expected the same digital access to academic advising, career counseling, health and wellness support, student affairs, and so on. This put a significant strain on staff and faculty. Meanwhile, many colleges and universities faced sudden major cutbacks in revenue. IFC launched this program to support digital tools, resources, and organizational innovation so institutions could make the transition. UPC was selected as one of the pilot universities.

## Lesson 4: Foster a Compelling Student Experience

They call it the student journey: the path a matriculant follows from submitting an application to enrollment, and through graduation. UPC has devoted itself to continually refining that journey, making it as seamless and engaging as possible.

The university is oriented toward competency-based learning, including critical thinking and value-based decision-making. It also makes much use of active group learning and real-world experience. Students actively take part in the design of their coursework, with teachers acting as facilitators. There are state-of-the-art library and

laboratory facilities, with digital learning services set up during the pandemic. **Edward Roekaert** and **Alejandro Caballero** offer these observations:

▶ **Roekaert:** Our goal is to provide every student a great 360-degree learning experience. We seek to be able to merge the best face-to-face education together with the best that technology and distance education can offer.

▶ **Caballero:** UPC follows a student-centered model with autonomous, self-reflective learning. It is very respectful of diversity, focused on

*students who have a global vision, and very much focused on sustainability. They assess progress toward specific competencies at an institutional level and in one-on-one consultation with the students and with employers.*

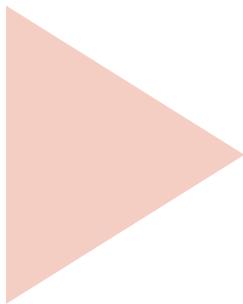
The emphasis on student experience was especially evident in the pandemic. For example, the majority of undergraduate class hours were immediately available through videoconferencing embedded into UPC's Learning Management System (LMS), using a virtual learning and educational management system developed by Blackboard Inc. The other quarter was provided asynchronously, also through the LMS. In June 2021, the university retrained more than 3,500 faculty members in a week, using online lessons. UPC set up temporary scholarships, pathways to external financing, and various forms of payment delay or tuition reduction options, all available online. Nearly all UPC students have finished their semesters on time since the pandemic started, with minimal delays in class schedules.

**Roekaert** talks about the impact this will have:



**Roekaert:** *When we return to face-to-face learning, we won't go back to what we did before the pandemic. We want to provide students the liberty to choose how they want to study. Typically, at most universities, students don't have many options. They must take their courses in the format in which they are being offered: either face-to-face, online, or hybrid. We're taking a student-centric approach, allowing students to choose. It's all about balance and allowing students to take control of their learning process.*

*Some institutions want to move back to the way they operated before the pandemic. I believe they haven't really learned from this journey. We've changed. We learned to manage our team through a crisis, and in the process we have questioned paradigms and discovered new ways in which we can provide a quality education. I have to thank and congratulate our faculty for their willingness to embrace change.*



“UPC started its digital transformation before the pandemic. Our goal was to create the best digital ecosystem for students, teachers, and staff.”

—Clery Luz Neyra Vera



## Lesson 5: Build Partnerships and Alliances for the Long Term

UPC has been extremely open to joint ventures and partnerships with other organizations. IFC is a good example. The two organizations have been collaborating on financing for more than 15 years. But there are many other collaborations in the UPC story. For example, UPC co-offers academic programs with the [University of Arizona](#). This provides access to courses otherwise unavailable, and it permits some students in Lima to graduate with a University of Arizona degree. Other schools may discourage collaboration with outside groups, but to **Morgan** and **Roekaert**, it is transformative:

▶ **Morgan:** *We seek long-term partnerships with our vendors. For example, we have more than 20 years' experience with one of our library providers. We have also formed deep connections with other libraries locally and internationally. Some of us work as a group to negotiate services from database and e-book vendors. We also have long term relationship with chambers of commerce in Peru, the United States, the United Kingdom, and Canada, as well as with some of the government-supported institutions. And we have a good record*

*in working with businesses and research organizations in Peru to gain internships for our students. We are always exploring ways to establish and maintain relationships of this sort creatively.*

▶ **Roekaert:** *International partnerships are a key component to this new strategy. For instance, our partnership with The University of Arizona is all about providing our students with access to a world-class education. This relationship also allows us to benchmark best practices and learn in the process.*

*Another important partnership is the one we recently signed with [Coursera](#) for Campus. Through this relationship, faculty have access to world-class digital content that can be embedded into their courses, providing students with a more robust and engaging learning experience.*

*At UPC we are not afraid of change. We embrace it and see it as an opportunity to find better ways of educating a new generation of world-class leaders.*

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*For more information about IFC's  
investments in health and education please contact:*

**Elena Sterlin**

Global Manager, Health and Education

Email: [esterlin@ifc.org](mailto:esterlin@ifc.org)

Washington, D.C., USA

**Chris McCahan**

Global Lead, Health and Education

Email: [cmccahan@ifc.org](mailto:cmccahan@ifc.org)

Washington, D.C., USA



*Creating Markets, Creating Opportunities*

2121 Pennsylvania Avenue, N.W.

Washington, DC 20433

Tel. 1-202-473-1000