



## The Myth about Going It Alone

*“We Can Handle Our Own IT Needs Internally.”*

**H**igher education has a long history of self-reliance; institutions provide all the services they need internally, even if they are located in close proximity to other institutions. According to Frank Rhodes, president emeritus of Cornell University, twentieth-century higher education drew strength from consisting of independent, free-standing, and competitive campuses.<sup>1</sup> Yet though these characteristics may have been useful in the last century, the stand-alone model may not survive the demands of the twenty-first century. In an age of interconnectedness and interdisciplinarity, can the self-reliance model endure?

Self-reliance implies that an institution can provide its own IT support, services, and expertise. The list is long: user support, security, libraries, distributed learning, multimedia development, Web site creation, network support, procurement, and so on. Although an institution may be able to provide those services, can it provide enough of them? At the right times? With the greatest expertise? For the most reasonable cost? With the highest quality? The answer may be “yes” to many of these questions, but it is rarely “yes” for all services.

An example is user support. All IT support organizations have seen huge increases in the number of users. Two decades ago, the primary users of technology were in disciplines such as the physical sciences and statistics; the number of mainframe applications was limited. Now, virtually all faculty, staff, and students in all disciplines, including the humanities and social sciences, use IT—and need some type of support. Not only have the numbers of users increased but

so have the average user’s needs and expectations. Availability from 8 to 5 is not enough; 24x7 may be. So even though the resources committed to technology and its support have increased, they have not risen at the same pace as user numbers or user needs.

If all users had the same needs, support would be simplified. But it is not just the users who are infinitely diverse—so are the IT systems. Campuses often have disparate—and duplicate—services, systems, and collections. Independence, autonomy, and disciplinary differences—as well as a desire to control one’s own resources—have led to multiple support units, different e-mail systems, various operating systems, and thousands of applications on a single campus. In addition, these same resources are often duplicated at other campuses.

There are several benefits to consolidating these duplicate services and support. One is cost. With consolidation, institutions can slow the cost increases and provide better support with existing resources. Expertise is another reason to consider collaboration. The geographic location of many campuses makes it difficult—if not impossible—to find specialized technical talent in areas such as network security and system architecture. If institutions could overcome their propensity to have all staff resident on campus, they could import talent electronically, thus enabling services to be anywhere and eliminating geographic barriers. Thanks to the Internet, colleges and universities can provide services and

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support “anytime, anywhere.”

What are the options for a campus that decides it should not go it alone? The two most common are (1) outsourcing and (2) collaborating with another campus or a consortium. An increasing number of campuses outsource some or all of their IT operations; that number increased from 40 percent to 52 percent in the last two years.<sup>2</sup> However, the idea of outsourcing is uncomfortable for

most higher education institutions. According to a study by the EDUCAUSE Center for Applied Research (ECAR), CIOs perceive outsourcing as risky and as lacking in campus support. The top reason for not pursuing outsourcing was: “It has historically not been done at the institution” (41%). Smaller campuses were more likely to use outsourcing as a cost-management strategy than were larger campuses.<sup>3</sup> Although all campuses are pressed for resources, wealthier campuses apparently can afford to hang on longer and avoid outsourcing.

If outsourcing is not viable, perhaps “in-sourcing” or “co-sourcing” will work. Collaborating with another institution or with a consortium of institutions is a form of outsourcing, but sourcing within higher education avoids some of the inherent distrust of corporate outsourcing. The savings can be substantial. According to a PricewaterhouseCoopers study conducted for Ohio universities several years ago, shared service centers could save 20–40 percent.<sup>4</sup> The Andrew W. Mellon Foundation has funded various collaborative efforts because of its conviction

that collaboration is critical to the effective use of resources in higher education.

Perspective is a valuable asset for any institution or any project, as is having a broad knowledge of effective practices. However, such perspective and knowledge is often external. Individuals within an institution tend to focus inwardly, dealing with the day-to-day problems and activities their position requires; little if any time remains for taking a broad view. As a result, consultants and external experts can provide perspective and expertise that may be impossible to find within the institution.

Collaboration can reduce costs, leverage expertise, and provide a broader perspective. Certainly campuses can “go it alone,” but collaboration is the only option for meeting the challenges of service, support, and expertise. In thinking about continuing to go it alone, the CIO and the executive team should ask themselves the following strategic questions:

1. *Do we have the expertise to do this internally?* IT requires a diverse range of skills and expertise—not all of which are needed on an ongoing basis. Does the campus have the needed expertise within the existing organization? Can it consistently locate, retain, and replace the necessary talent for a given set of tasks? And if the “expert” is within the organization, does he or she have the opportunity to see what others around the country are doing? Without a broad perspective, it is all too easy to “recreate the wheel” and repeat the errors of others. If an institution does not have the desired expertise or perspective, outsourcing or collaboration should be considered.
2. *What can we leverage if we work together?* Many services and support activities don't scale within a college or university. How much leverage could be achieved if campuses worked together? What resources could be freed up? What might be done more effectively and efficiently? Where might the institution invest the resulting savings?
3. *What price are we willing (or able) to pay to handle our needs ourselves?* The price—in dollars and in human resources—of going it alone may be much higher than if services are provided through outsourcing

or collaboration. An independent approach guarantees that an institution forgoes any potential leverage. However, for mission-critical activities, the risk associated with loss of full control may outweigh the potential gains. The executive team must determine which services are central to the campus identity and mission. It may be appropriate for the institution to take care of these internally, even if the cost is greater than with an alternative provider.

4. *What mistakes would we avoid—or what best practices would we discover—if we looked outside the institution?* No campus has all of the answers. The willingness to explore best practices and the approaches taken at other campuses helps the institution optimize its resources and approaches. EDUCAUSE and other professional associations, as well as colleagues and consultants, can assist campus executives in learning about the successes (and failures) occurring elsewhere. A broad understanding of what works—and what doesn't—ensures that the institution will avoid costly mistakes and can take advantage of opportunities.

Although the first instinct of higher education institutions may be to handle their own support and service needs internally, this is not the only—or necessarily the best—option. Whether to access unique expertise or to share costs, institutions should evaluate their needs and options before “going it alone.”

#### Notes

1. Frank H. T. Rhodes, *The Creation of the Future: The Role of the American University* (Ithaca, N.Y.: Cornell University Press, 2001).
2. Brian L. Hawkins, Julia A. Rudy, and Robert Nicolich, EDUCAUSE Core Data Service Fiscal Year 2004 Summary Report (Boulder, Colo.: EDUCAUSE, 2005), <<http://www.educause.edu/apps/coredata/reports/2004/>>.
3. Philip J. Goldstein, “Information Technology Funding in Higher Education,” *EDUCAUSE Center for Applied Research (ECAR) Study*, 2004, vol. 7 <<http://www.educause.edu/Library/DetailPage/666?ID=ERS0407>>, p. 79.
4. Greg Lozier, PricewaterhouseCoopers, e-mail communication to Diana Oblinger, 2001.

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