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Asking the right questions about IT

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Introduction

IT is no longer just about hardware and software maintenance. Institutions that are making smart, well-placed investments in technology are improving their ability to serve current and prospective students, govern responsibly, and make better management decisions.

So how do you assess whether you're getting the optimum return on your IT investment? Start by asking some important questions. Is our current technology making us more efficient? Helping us save money? Be more accountable? Remain competitive?

Ideally, IT should serve as a strategic business partner to each functional area, making measurable contributions to student success, institutional effectiveness, and the bottom line. Assess whether your technology is helping to advance the institution's top business goals.

You can also take a look at what other institutions like yours are spending on technology. But use this only as a starting point. Ultimately, you will have to weigh your investments against your institution's specific business and academic objectives.

These actions will help you begin to answer questions about ROI, as well as determine the right way to allocate resources going forward.

By the numbers: spending

There are several sources to help you benchmark IT spending. These metrics include percentage of IT dollars spent per institutional budget or per FTE. To determine if you have the correct staffing level, you can look at such indicators as number of IT staff per FTE.

Leading non-profit research group EDUCAUSE, in its Annual Core Data Service, surveys IT spending across institutions of higher education nationwide. In 2013, they found that the median spend by central IT departments is five percent of overall institutional expenses.[1] And that central IT budgets are increasing at most U.S. institutions by a median of 19%. Other trends identified include an increase in outsourcing to help control cost vs. predictable service level-driven outcomes.

Use these benchmarks as preliminary indicators of whether you are under- or overspending on IT. But keep in mind that every institution has its own unique needs. The key is to assess whether your current technology and IT staff are adequately supporting your business goals—and doing so in the most cost-effective manner.

As you make this assessment, consider whether IT is taking a leadership role in:

- Increasing campus-wide efficiency
- Improving institutional management
- Reducing risk
- Improving student service

Where is the money going?

In 2014, technology investments for higher education will grow to more than $10.4 billion. (Center for Digital Education)

Spending will focus on:

- Wireless and network infrastructure upgrades
- Enterprise cloud adoption
- Expansion of online learning
- Cybersecurity/campus security
- Professional development

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1. Number can vary between public and private universities, as well as Carnegie Classification.

Increasing efficiency

Locate redundancies

Government research group MeriTalk recently conducted a survey of 52 top IT professionals working in higher education. The survey showed that an average of 18 percent of campus IT systems are redundant. Another finding offers a clue as to why: 19 percent of all IT investments are made outside of the central IT department.

This finding means different departments are purchasing equipment and software the institution already has, investing staff time in building systems and solutions that already exist, and solving problems independently rather than collaboratively.

Often, staff members are working in silos, buying software for features that already exist in the institution's ERP. They are using different databases and technology tools that force an already over-burdened IT team to support multiple systems that accomplish the same goals.

An audit of technology systems campus-wide may lead to a significant reduction in redundant capital and operating costs.

Streamline processes

Automation is one of technology's biggest gifts. If you haven't yet automated your most time-intensive processes, find out why. A small investment can pay off big in increased productivity, fewer errors, and better service for everyone.

Consider using technology not just to reduce time, but to improve the process as well. Workflow management software lets you apply industry best practices, while mobile applications put more information directly in user hands. Both result in accelerated operations and improved service.

Take full advantage of the cloud

A March 2014 report from the Center for Digital Education notes that 83 percent of higher education institutions have plans to adopt cloud computing.

Moving your systems and data to the cloud is one of the smartest ways to save time and money. Just a few of the benefits:

- **Reduce costs:** Eliminate the costly cycle of hardware upgrades, as well as server maintenance and lost productivity due to downtime

- **Improve scalability:** Use software hosted online, offering scalable bandwidth and service, to ensure you have what you need for peak times and can scale back during down times

- **Increase security:** Get continuous backups on more secure networks, with more sophisticated disaster-recovery protocols

It is becoming increasingly common to create a digital campus in the cloud, putting application hosting and management in the hands of a cloud services provider. Upgrades are delivered via the Web, so you're always working with current functionality and not waiting for service calls. And in-house IT resources spend far less time on troubleshooting and more on strategic activities.

Ellucian customers who deploy their applications in the cloud report deriving $2–4 of value for every dollar they spend.[2]

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2. Average based on analysis of Ellucian customer ROI

Leverage outside resources

As with any support function on campus, you must ask how much of your investment would be better spent on your core competency—education. Technology is changing at such a rapid pace these days that keeping in-house staff up to date is an expensive proposition—non-stop training, recruiting and replacing employees, bringing in third-party consultants or tools to fill individual gaps.

Potential return on investment from sourcing some or all of your IT function includes:

- Guaranteed access to key skill sets only when you need them

- Ability to keep up with new/changing technologies

- Predictable cost structure

- Risk transference (let others be responsible for the skill sets needed to support the changing technology)

- Decreased time to completion for projects and processes (get tested and proven processes, programs, templates, features, fixes)

- Training and support system for your existing IT staff

- Better service and updated technology for students

Most important, you rely on others to be experts in technology, so you can focus on strategic goals that matter most to your core business.

PRAIRIE A&M UNIVERSITY

Success story: Prairie View A&M

Challenge: Reduce IT costs, improve customer service, and streamline business processes

Solution:

- Automated key processes

- Upgraded infrastructure to provide students and faculty with more modern, reliable services

- Moved key services to cloud, reducing costly updates and capital investments

- Improved ERP management

- Sourced technology support to streamline business processes

Result

$7M savings from 2009–2013

Improve institutional management

Expect more from data

When it comes to tracking performance, your technology should be doing more than just generating data. It should be producing data in a format that improves your ability to make decisions.

In conjunction with institutional leaders across all areas, IT should be developing a strong, central performance-management system. Users should have digital tools to track progress and outcomes, as well as the ability to generate reports that align with annual or long-term business goals. Business intelligence and analytics are wise investments that make institutional leaders more effective at everything from strategic planning to budgeting to governance.

And the ability to extract and interpret information should be available to everyone on campus, not just IT. Today's most powerful performance-management systems offer everything from off-the-shelf reports to user-friendly customization options to sophisticated programming capabilities. Each option should meet the specific needs of higher education leaders and support the strategic decisions that concern them most.

Empower data users

What if your staff could spend less time fixing reporting issues or having to explain why information is not available? In many cases the solution lies not only in better technology, but better processes for using that technology.

Your IT team should be educating users to employ standard terminology and data entry conventions, so that information can be

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Success Story: Lenoir-Rhyne University

Challenge: Improve IT operations with a very limited budget

Solution

- Automated and streamlined processes
- Improved IT governance
- Sourced support for network, administration, and help desk to improve efficiency and quality

Result

$2.1M savings in IT costs over 4 years

LENOIR~RHYNE
UNIVERSITY

shared and interpreted consistently across the institution. Users should also be empowered to design and generate their own reports whenever possible, so that data is available without IT assistance. And as much information as possible should be accessible across departments to foster communications and learning.

Support institutional accountability

When it comes to accountability—to leadership, funders, board members, and other stakeholders—IT should be a key player. Ensuring the integrity of reporting data is critical to an institution's credibility, not to mention its effectiveness. If IT is making decisions and changes based on incorrect or outdated information, an institution loses its accountability to its constituents.

The IT team should also be staying on top of the latest reporting and dashboard functionality, as well as industry best practices. Often, major software improvements take place within months, not years, and institutions that don't stay up to date lose time and money. Cloud-based applications help minimize those losses by updating in mere minutes.

Foster innovation

The best institutions are moving away from seeing IT as tech support and more toward viewing it as a critical tool for innovation. Technology can help you expand offerings through online courses or tools to supplement on-campus teaching. Used correctly, it can help you identify trends in student choices, stumbling blocks, and needs that you can address proactively to stay ahead of the competition.

Technology can enable knowledge sharing and collaboration between departments, yielding exciting new programs or approaches to education. And it can also be used as a primary tool for communicating these innovations to the higher education community, enhancing your reputation.

Reduce risk

Ensure data security

Your institution's technology infrastructure is likely supporting more devices, users, and data than ever before. This means more chances for information to be stolen or compromised. Moving systems and data to the cloud is an important option to consider for reducing risk, rather than trying to maintain outdated servers or previous-generation security software.

Do not let your IT team put off a disaster recovery plan or a security audit. The cost in time and money of dealing with a breach will eclipse any investment made now. Convert vulnerable paper files to electronic form, but then quickly get familiar with the correct processes to protect that information as well. Make sure you have the right partners and protocols in place to get through any disaster scenario.

A cost-benefit analysis of sourcing management of your technology infrastructure may also reveal the potential for significant savings in both the short and long term.

Improve student service capabilities

Last, but definitely not least is the importance of making technology investments that enable you to better serve students. In addition to student satisfaction and success, a variety of key metrics are significantly influenced by the efficiency and capacity of your technology. This includes everything from recruiting and enrollment to rates of attrition. It affects time to degree, graduation rates, and alumni engagement and funding.

Technology should be driving relationship management from the moment a student enters your recruiting pipeline. Customer relationship management software offers automated tools for tracking progress and communications with each student. Specialized applications for managing

data and workflow in every area of higher education improve efficiency, responsiveness, and quality of service.

The same goes for managing student success. For example, your technology should be offering students 24/7 access to their transcripts, degree planning, and financial aid information. Advisors should be spending less time manually locating student records and more time helping students meet their goals. Student information systems should provide a one-stop shop for accurate, comprehensive information. And accounts payable should be using technology to make sure financial aid is disbursed quickly.

Bottom line: technology should free faculty and staff from managing cumbersome processes so they can spend quality time with students.

Meet the expectations of today's sophisticated student population

Today's student expects an almost retail-like experience when shopping for education or completing basic functions once enrolled. They look for easy search tools and the ability to complete tasks such as registration, payment, and course management online.

Seventy-six percent of students are bringing their own devices to school and using the campus network.[3] They expect information to be accessible anytime, anywhere through multiple mobile devices.

In this regard, the consumer-facing portion of your technology is as important as the back end.

Success Story:
Ocean County College

Challenge

- Reduce IT costs

- Increase funding for technology initiatives

- Improve ability to meet constituent demands

Solution

- Strengthened capacity to identify grant opportunities, write effective applications, and ensure compliance

- Sourced support for streamlining processes and implementing more efficient technology solutions

- Developed strategic plan and increased support for IT leadership and governance

- Virtualized 30 physical servers on campus to reduce management costs and improve reliability and security

Result:

- **$15M in new grant revenue**

- **Saved $36,000 in annual vendor support contracts**

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COUNTY COLLEGE

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3. Center for Digital Education, "Market Trends to Watch in 2014" presentation

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Conclusion

With a sound investment strategy, IT will emerge as one of your institution's strongest strategic assets.

In the end, technology will be a key tool for helping you achieve the goals that matter most—quality service for students, academic excellence, financial security, innovation, and leadership in your field.

Whether you contract out technology management as a way to leverage greater resources and efficiencies or you improve performance of on-site staff and tools, start by asking the right questions. Am I using the full spectrum of advancements available today, including cloud technology and customer relationship management software? How

quickly will an investment in these technologies pay off in greater efficiency and risk reduction? (The answer is usually "within just a few years.") And am I using the right technology to attract and retain the best students possible in today's fiercely competitive market?

Ellucian, the leading provider of software and services that helps higher education institutions thrive, can help you answer these questions and others related specifically to your own college or university. All you have to do is ask.

For information on what we are doing to improve the efficiency and effectiveness of institutions' IT operations, visit **www.ellucian.com/TMServices.**

About Ellucian

Ellucian helps education institutions thrive in an open and dynamic world. We deliver a broad portfolio of technology solutions, developed in collaboration with a global education community, and provide strategic guidance to help education institutions of all kinds navigate change, achieve greater transparency, and drive efficiencies. More than 2,400 institutions in 40 countries around the world look to Ellucian for the ideas and insights that will move education forward, helping people everywhere discover their potential through learning.

To learn more, please visit **www.ellucian.com**.

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Headquarters: 4375 Fair Lakes Court, Fairfax, Virginia 22033, USA
Phone: +1 800.223.7036

www.ellucian.com