

Higher Education Technology: When to Develop In-House Solutions, and When to Partner with Companies?

When is it better to keep something in-house, and when to outsource? A higher education administrator and an industry partner offer their perspectives for how to make that decision.

Across the country, higher education leaders are recognizing technology's growing role in helping institutions achieve strategic goals. Whether you're a flagship state university, a private liberal arts college, or a for-profit online institution, the question is, How can you leverage technology to become a premier institution—one that can innovate, sustainably, into the future?

We believe the answer to this question lies in the ability to discern when to develop in-house solutions and when to partner with companies. Many administrators have spent countless sleepless nights grappling with this issue. What is the best path forward? How can you ensure positive results to set your college or university on an innovative path for success?

As higher education technology veterans, we offer the following practical advice:

- **First, evaluate and inventory in-house resources:** Review your in-house talent, culture, capacities (institutional priorities, budget, time), and mission. Do you have the resources to do everything in-house?
- **Define success for your institution:** Have a clear “look of success” before looking outside your institution for a solution provider.

Once you've fully evaluated in-house resources and defined success, you likely won't resoundingly say yes to doing everything in-house. Here, we offer a general guide: You can often advance your goals by driving strategic IT initiatives internally and partnering with companies for operational IT solutions.

Drive Strategic IT Initiatives Internally

If your technology is strategically essential to your mission or if you are developing custom interfaces between systems, then staying in-house is probably the best choice. But if you're reinventing the wheel for commonly available outsourced systems like email, accounting, or student information systems, then outsourcing is the way to go.

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You want to be able to focus the majority of your efforts on mission-driven work—technology that promotes new advances and approaches to teaching and learning, supports student success, and provides new capabilities in research. In this environment, IT can transition from a service role to a strategic role—instead of simply providing technology, IT can help determine future directions and promote an understanding of how technology can best support both the business and academic sides of the institution.

In the case of Drury University, when David arrived in 2016, the institution migrated from onsite Microsoft Exchange email servers to Office365. This meant the university no longer needed to care for and maintain operationally essential hardware (email servers) by treating email as, quite frankly, the commodity service that it is. This Microsoft partnership let the university focus on core academic and other front-end issues critical to its mission with the knowledge that the back-end infrastructure is stable and secure.

Partner with Companies for Operational IT Solutions

Students attend higher education institutions for great faculty, great instruction, and great career-building connections. Technology relevant to these core academic functions—which are strategically essential—needs to stay within the control of your institution.

That, of course, leaves back-end functions—what we like to call “operationally essential”—as prime candidates for service provider partnerships. These include ERPs, HR software, student information systems, student ID systems, and wireless infrastructure. These functions are critical to the operation of your campus but aren’t driving strategic initiatives.

Many small and mid-sized institutions, like Drury, have unique IT challenges not faced by large institutions. They don’t have the resources to be excellent at all functions. If you’re trying to teach students and do research and perform other tasks central to the mission of your institution, IT often does not have the resources necessary to support all the functions an institution requires.

That was true for Drury regarding its residential network (ResNet). Realizing it was in an “arms race” of technology expectations clashing with the budget realities of a small, private institution, the university decided to partner with managed technology services provider Apogee, which had the resources and expertise to upgrade and manage the ResNet. Instead of spending resources on simply maintaining the infrastructure, Drury was able to apply more attention to the support of technology that exists in classrooms. This lets the university service the customer-facing pieces of its offerings, which is really where classroom and office—and ultimately faculty, staff, and student—experience happens.

While some institutions continue to grapple with these challenges, a fast-growing number of schools are finding success with technology partners, achieving the best of both worlds and accomplishing much more than they could on their own. Their IT teams, especially those with technology partners who possess a strong understanding and alignment of their institutions’ cultural and financial needs, are empowered to innovate and drive student success.

To Outsource or Keep It In-House?

If you’re asking yourself the question, “Should we outsource X,” then you’ve probably already answered the question as “Perhaps, now.” And as you consider the outsourcing path, here is additional advice for COOs/CIOs/CFOs:

- Before going outside, talk to existing partner clients: Develop rapport with existing clients of targeted solution partners, and suss out not only successful engagements from the vendor’s reference lists but also less-than-glowing engagements and understand why those engagements were unsuccessful.
- It begins and ends with reputation: Know that the organization you’re partnering with—and possibly making a “career bet” upon—is rock solid in terms of their track record and of fulfilling their brand promise. Because—let’s face it—not all your outsourcing decisions are “big swing” decisions. But the ones you are most likely to make, such as telephony, entertainment, and infrastructure, definitely are.
- Look for partners that are relational, not transactional: If you go through multiple engagement managers in the lead up to signing an agreement, that’s a huge yellow flag, if not a red one. You need accountable and accessible engagement managers, on each end of an outsourcing agreement, for high probability of a successful outsourcing project.

There are numerous vendors that can easily tailor their resources to fit your exact needs. You just need to do your homework.

If you decide to move some currently in-house functions to an outside partner, remember that the prospect of change can be daunting. If managed correctly, however, the process doesn’t have to be painful. Given the changing landscape of higher education, IT leaders must be ready to lead this change. Two key recommendations:

- Make sure all your internal stakeholders are apprised of the rewards—and the risks—of the solution. Buy-in is essential to go forward.
- Assure your staff that the solution is not a replacement for them. Rather, it is an opportunity to retarget and redeploy their talents to where the institution needs them.

So, leverage technology by partnering with companies for operational IT solutions and internally drive strategic IT initiatives. Doing so can be a victory that supports strategic outcomes while enabling you to keep your eye on staying ahead and realizing your strategic mission.

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