

K-12 IT Leaders Must Emphasize Value Over Cost

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CIOs in K-12 education should help senior management focus on the yield of IT rather than the cost. Otherwise, IT will be seen as a cost center with little connection to the “real” business of education, and thus of little value. This will be especially important in the event of an economic downturn, even if the immediate effect is delayed until the next budget cycle.

Key Findings

- Some school districts in the U.S. are already feeling a funding pinch; others can expect to follow suit in the next fiscal year. Similarly, budgetary recovery typically lags improvement in the general economy by 12 to 18 months.
- Senior management’s tendency to see IT only as a cost stands in the way of investing in IT as an innovative tool to support the institution’s goals.
- Indiscriminate IT budget cuts actually cost more than they save. Consider the true cost of using PCs well beyond their useful shelf life, or the actual costs – and the resulting lack of value – that result when training programs are scrapped.

Recommendations

To promote IT as a value proposition, not a cost center, CIOs:

- Must avoid indiscriminate cost cutting in IT by communicating the fact that the value of IT does not lie in low cost but in the educational value of IT.
- Should work with stakeholders, other business units and senior management to ensure that the IT budget is aligned with the goals and priorities of the school district.
- Should work with stakeholders and other business units to develop and present the educational value of IT to senior management and other high-level decision-making bodies.

ANALYSIS

Cutting the IT budget – especially where IT is centralized and covers a wide area of school district business units and schools – is often attractive to senior management due to the IT organization’s size. What those decision makers may fail to see is that IT is not just a cost center, but a value-laden proposition that enables, enhances and makes virtually every aspect of the educational environment more efficient. Whether acting under the immediate threat of budget cutbacks or in anticipation of cuts in the next budget cycle, CIOs should act now to secure the educational value of IT in the minds of school district stakeholders.

Stakeholder Ownership

First and foremost, CIOs should involve stakeholder representatives of the educational community in a dialogue that results in the alignment of IT with school district goals and priorities as seen through their eyes. The intent is to eliminate any vestige or perception of IT-centricity. This not only ensures a greater degree of business alignment, but promotes ownership of the IT effort among the school community.

This is a best practice regardless of the state of the economy, but is especially important when these schools feel the sting of static or reduced funding. When stakeholders have a sense of ownership, they take a more active role in supporting the IT effort in planning, prioritizing, implementing and advocating for technology. Accordingly, they tend to support funding IT because they have come to see that it serves the school district as a whole rather than the IT department as a business unit.

Stakeholder Involvement and the Educational Value of IT

Continued stakeholder involvement is essential in gaining recognition of the educational value of IT. Gartner has previously published five frameworks that organize the stakeholder dialogue. The frameworks can be used to address the current effort as well as proposed initiatives intended to address the business needs of the district. Keep in mind that when we talk about business needs we include curriculum and instruction – the largest and most important line of business in K-12 education.

Here, the frameworks are revisited, with attention paid to the influence that they hold over funding.

Education Technology Opportunity Matrix

The Education Technology Opportunity Matrix (ETOM) is a risk/reward assessment of the constituent technology-based initiatives that are currently addressing the business needs of the school district – or are proposed to do so. Properly conducted, the ETOM discussion requires a districtwide view of each initiative in terms of its positive or negative impact on three categories of value to the school district: 1) operational efficiency, 2) constituent service level and 3) political return. Participants are asked to develop rubrics that should be used to determine the degree of risk and the reward in each category, and then to grade each initiative accordingly. As a result, the entire portfolio is brought to the table as a school district concern – not as an IT project.

The Triangle of Relative Value

The Triangle of Relative Value (TRV) is a three-axis model that maps cost against the number of users and against the amount of use (in time). It illustrates the greatest impact for the investment in

that the largest resulting triangle is recognized as having the greatest value. As stakeholders/participants are asked to analyze initiatives with the TRV, they get a sense of how the IT investment is spent, as well as how it might be allocated. Ideally, they also come to realize the extent to which technology reaches a wide target audience with regard to the number of users and amount of time in use. In tough budget times, that can be used to identify high-impact efforts that deserve to be prioritized if cuts must be made. Importantly, while it protects high-impact efforts, it does not necessarily lead to cutting other initiatives if they prove to have great value as identified by the other frameworks.

The Educational Fit

Process, outcomes and technology are the vertices of a triangular model that asks stakeholders to examine each of three relationships: 1) process and outcomes, 2) process and technology, and 3) technology and outcomes. Examining the relationship of process and outcomes (such as curriculum and expected student achievement) provides a more realistic view of the role of IT; that is, IT is part of the equation, but is not wholly responsible for the achievement of business-unit goals. Technology cannot overcome business practices that are not truly targeted at the expect outcome. The relationship of technology to the prescribed process, as well as to the desired outcomes, is equally important and should be examined and understood by stakeholders. As a result, the value of IT, as well as its alignment to the goals of the school district, are best understood and, consequently, more likely to gain support in tough economic times.

The Technology Emphasis

Nothing can destroy general support for education technology faster than instances where technology is used for technology's sake and not because it adds value. Even in times of prosperous economies and flush budgets, force-feeding technology into operations or procedures where it does not add efficiencies, effectiveness or economy to the process is a bad idea. In that scenario, it is easy to cut technology budgets and, conversely, difficult to make a business case for appropriately staged initiatives because of the lingering perception that technology is an unneeded add-on and not essential to success. CIOs should use this framework to work with stakeholders to root out the spurious deployment of technology.

The Total Cost of Ownership

The total cost of ownership (TCO) of IT-based initiatives is understood intuitively, but the majority of stakeholders have little understanding of how such a metric is determined. Consequently, they may realize that a \$900 computer or a \$150 software program actually costs more than that when support and training are added in, but they are left guessing as to how much.



Additionally, they most often neglect to add in the user-borne costs that the school district realizes when students, teachers and staff experience downtime or take time from assigned tasks – that is, their real jobs – to troubleshoot or otherwise support technology. Does the school community know, for example, the true costs realized when inadequate user training results in lost instructional time, or when misguided attempts to mitigate computer malfunction actually end up making the problem worse? Understanding TCO clarifies the value of IT and IT support to the stakeholder community, and it is another framework that supports funding the IT budget.

Communicating the Value of IT in Education

Having involved the stakeholders to get their input and buy-in to planning, prioritizing and implementing technology, CIOs should make liberal use of them to communicate the value proposition to senior management and other decision-making entities. That reinforces the emphasis on the value of IT to the school district as a whole, rather than to the IT department as a business unit. Making sure that the value is understood – and felt – across the enterprise leads to the realization that IT spending, whatever it is, is also spread across the breadth and depth of the school district and, as such, deserves budgetary prioritization, not cutbacks.