

HUMANE

Heads of University Management & Administration Network in Europe

SEMINAR

Helsinki School of Economics (HSE)

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Outsourcing

Abstracts

Bologna Process – How is HSE preparing for different aspects of the European Higher Education Area

Esa Ahonen, Helsinki School of Economics (FI)

Adoption of easily readable and comparable degrees (BSc/MSc/DSc) and a system based on two main cycles is what first comes into mind when speaking about the Bologna process. However, it includes many other important topics, such as system of credits, promotion of mobility, European cooperation in quality assurance and promotion of the European dimension of Higher Education.

Other central issues are life-long learning and relation between HE institutions and students, as well as the attractiveness of the European higher education area.

The Helsinki School of Economics (HSE) is taking all these goals seriously into consideration in its path to become one of the highly respected European Business Schools. HSE has been very successful in international student exchange and the number of our foreign students is increasing. We have good track record also in quality issues and international accreditations, as well as in creative approaches in life-long learning. This presentation will describe how HSE is pursuing the goals in practise.

Outsourcing: why do we do it and how far can we go?

Roddy Begg, former Secretary of the University of Aberdeen and former Chairman of HUMANE (UK)

The talk will try to illustrate by examples - drawing on the author's personal experiences at two universities in the United Kingdom - the general principles behind the practice of: "obtaining services by contract from an outside source" (as the Oxford Dictionary defines the word).

Virtually unknown 40 years ago, the technique of outsourcing has been extended greatly, initially from the area of highly skilled professional and technical services (such as the design and construction of academic buildings); to a range of other professional areas (such as legal and financial services); to more mundane every day jobs (such as cleaning, buildings maintenance and printing).

The reasons why universities outsource, the care that needs to be taken in setting up outsourcing contracts, and the risks associate with the use of this management technique - particularly when applied to core academic areas, such as teaching - are outlined.

The talk will not go into great detail - except in relation to specific examples, to illustrate points being made - but is intended to provide an overview of : "why?", "what?" and "how far can you go?".

Renting your own Campus

Leif Lindfors, Stockholms Universitet (SE)

First a short over-view of the Swedish higher education system. After that I will present the system for economic administration in the Swedish universities. Then follows as a background the historical roots of the present system for administration of university buildings. I will then describe how we work today in a system that among other things means that the Swedish universities rent all their buildings. I will end with summing up the pros and cons of our way of handling things.

IT Sourcing: out or in? The case ACCU (Academic Computing Centre Utrecht)

Peter Schelleman, Chief Information Officer, Universiteit Utrecht (NL)

Many major corporations are considering outsourcing. After the waves in which cafeteria, cleaning services, printing offices and security staff were outsourced, the new wave focuses on IT.

Advantages seem clear: organisations can concentrate on their core business, without worrying about IT operations. But is this really the case? Is it possible to outsource strategic IT tools to third parties without endangering the core? Outsourcing relationships often deliver less than promised, are more expensive than budgeted for and fail at an alarming rate. Trade watchers estimate that about half of the outsourcing deals lead to disillusionment and dissatisfaction of management, often already in their first year.

At university level outsourcing deals are still relatively scarce. In 1999 Utrecht University, the largest research university in the Netherlands, decided to outsource its university computing center ACCU lock, stock and barrel to Cap Gemini Ernst & Young. The outsourcing contract is now in its fourth year and is considered a success by both parties.

The presentation will cover the reasons for outsourcing, advantages and disadvantages and the present situation. Theory and practice of outsourcing will be compared and options for outsourcing deals. Any such deal will have to fit the strategic goals of a university and fit in with its organisational structure. Costs and benefits will be covered, pitfalls uncovered.

The presenter was asked by the University Board to design a new IT strategy for Utrecht University and to manage the outsourcing contract in such a way that the new strategy could be implemented at no extra costs to the University. The degree of success and things that went wrong will be touched upon. In this respect case ACCU holds valid for many institutes of higher learning as shown by the recent interest that other universities in Holland and abroad have expressed in the outsourcing model and experiences at Utrecht.

Outsourcing – a tool for transformation? Obstacles, opportunities and some experiences from HSE

Esa Ahonen and Dr. Markku Kuula, Director of Information Services, Helsinki School of Economics (FI)

Outsourcing can be defined and applied in many ways. The most common definition probably refers to transferring public services to a private firm. Government can contract out / outsource new services that were not previously done at all by the government. Public and private resources can also be pooled to develop, operate or own public facility or service. Depending on the situation, employees may or may not be affected. Crucial in outsourcing is that government remains accountable for the service, whereas in privatization the situation is different.

Reasons for and potential benefits of outsourcing vary from increasing demands for services, fiscal pressures and expectations for cost savings to performance and quality improvements. Benefits are, however, difficult to measure especially when the complexity and volatility of the function or process is high.

Obstacles to effective outsourcing is also man, from difficulties in managing the outsourcing process to employee issues. In a recent study by Accenture, workforce or union pressure against outsourcing was rated as the most significant obstacle, followed by internal resistance to change and fearing loss of control. Other obstacles were concerns over confidentiality or security, political pressures, lack of executive support and procurement laws.

Accenture also found out that results from government outsourcing are mixed and outsourcing in the public sector is particularly complicated. Conventional approach to outsourcing restricts views of what is really possible. However, performance oriented governments have learned to use outsourcing as part of everyday good management and a small number of leaders is using it to transform the way their organisations operate.

In this presentation the obstacles and opportunities are elaborated, supplemented by experiences from the HSE. Even if other areas are shortly covered, we concentrate on our IT experiences, presented by our IT Director Markku Kuula, who will compare the strategies of outsourcing from purchase of external services to outsourcing the whole IT department. Our experiences show that good negotiations skills and thorough understanding of the IT as well as the substance is essential in pursuing the best results.