Building Alliances with Private Industry

Faced with the impossible, two universities recruited new allies to create unique solutions

By **Karen DeMauro**

Clarion University and subsequently Edinboro University, both in Pennsylvania, recently faced the same dilemma — how to provide Internet access to unwired residence halls within a mandated, compressed timeframe with no funding for the installation and no additional personnel to support the installed network.

This predicament gave birth to a unique solution now implemented at both universities. Each institution bundled its university-related telecommunication services with residence hall services and sought a vendor consortium to install and manage those services. In return for long-term contracts granting the right to sell services to students, their parents, faculty, staff, and other affinity groups of the universities, the two consortia agreed to invest $1.5 million and $1.57 million, respectively, in the installation of data networks for the residence halls at Clarion and Edinboro.

In May 1999 Clarion University entered into a public/private alliance with ALLTEL Communications, Inc. As a result several new services are now available and others have been improved or replaced with equivalent services as shown in the sidebar "Alliance Student and University Services at Clarion."

Edinboro University entered into a similar alliance with Williams Communications in May 2000. That alliance also covers the services shown in the sidebar, although the services don't fall within the same category for both institutions.

A Brief Description of the Universities

Many similarities exist between Clarion and Edinboro. Both are members of the Pennsylvania State System of Higher Education (SSHE), which includes 14 institutions. While both are located in northwestern Pennsylvania, Clarion is in a very rural area, while Edinboro is geographically near Erie. Both are mid-size institutions with student bodies of roughly 6,100 and 7,500, respectively, and faculty and staff complements of 750 and 900. Both house approximately 2,000 students in the seven residence halls included in their respective projects. Edinboro has an eighth residence hall that was previously wired.

The universities' technological environments prior to the alliances were similar as well. Both had Centrex telephone service and cable television service provided directly to the students via a coaxial cable plant installed and owned by the local cable company. Clarion used a state network, PAnet, for administrative long distance, while Edinboro used AT&T. Both used private companies for student long-distance service and billing.

Clarion was in the process of installing CNet, our university-wide fiber optic ATM (asynchronous transfer mode) network, when we began our alliance project. In contrast, Edinboro is installing its ATM network, CWIN, simultaneously with the alliance services, resulting in the additional complexity of dovetailing two separate projects.

The 21 members of Clarion's Center for Computing Services support all networking, computing, telephony, and help desk services. We also provide instructional technology support and training as well as the technical support for our interactive video network for distance education classes. Edinboro offers similar support through the 27 members of its Technology and Communications department.

Alliance Student and University Services at Clarion

New Services

Voice mail (student/university)
Caller ID (student/university)
Cellular telephone service (student)
Internet access (student)
On-campus computer store (student)
On-campus computer repairs (reduced rate)
Student help desk
10 years PBX management
10 years student data network management

Improved Services

PBX (formerly Centrex)
New telephone instruments (university)
Cellular telephone service (university)
Cable television (student/university)
Additional telephone extensions (per student rather than per room)
Long-distance telephone service (student)

Equivalent Services

Ten years cable television support (student/university)
Local exchange telephone service (student/university)
Long-distance telephone service (university)

Why an Alliance?

Clarion developed the concept of an alliance with industry in response to a number of internal and external factors.

Internal Factors

Clarion's residence halls were originally to be wired through CNet, which was slated for completion in the spring of 1999. However, the internal wiring of the residence halls was dropped from CNet in 1997 for lack of funding. Afterwards, our president decreed that Internet access "to the pillow" would be available in our residence halls by fall 1999 as an enrollment management initiative. We now faced a quandary.

Funding. SSHE Auxiliary Services, including Residence Life, must be self-sufficient, using only room rates and student fees to fund their operation. Since two new student fees were then being proposed for other purposes, a third for data networking was out of the question.

Time. Our experience with CNet made it clear that we could not meet the fall 1999 deadline using the existing SSHE construction procurement procedures. However, during CNet we had developed wiring standards and gained enough experience to work knowledgeably with a vendor on designing the residence hall network.

Support. A new student network brings a host of new support issues. Computing Services couldn't augment our already over-extended help desk staff to adequately support up to two thousand additional users, nor could we expand our two-person network staff to manage the student network.

The biggest support issues arose because these users differ from our typical university network users. We had no one to support students after 4:30 pm, typically the time of heaviest student usage. We also didn't have the personnel to connect hundreds of desktop systems to the network within one weekend or even one week at the beginning of the semester. Finally, these computers are student owned, not university property, and we didn't want to get involved in potential liability issues.

Contractual Issues. Fortunately, a number of Clarion's contracts were expiring within a two-year timeframe. Our Centrex contract was due to

expire in August 1998. We hadn't been happy with the pricing in that contract for a number of years, and our renewal discussions clearly indicated that we were destined to remain unhappy. Our student long-distance contract ended in 1998, so we entered into a short-term contract until the alliance was ready. The cable television contract expired in May 1999.

Edinboro University faced a somewhat similar situation. However, only the cable television contract was expiring, the long-distance contract had one year left, and the Centrex contract wouldn't expire for another three years. Nonetheless, the project's benefits outweighed the potential expense of terminating the Centrex contract early.

Telephone Issues. Responsibility for the telephone system came to Computing Services in the fall of 1997. The high visibility of the CNet project as a combined voice, video, and data network made it more apparent to senior management that telephone and data technologies were merging. We all recognized that we could get synergistic results by putting the responsibility for those two areas in the same department.

One consequence of the transfer was Computing Services' realization of the poor condition of the copper cable plant owned by the university and the need for its replacement. Another consequence was the realization that we could now include a new PBX, long distance and local exchange service, voice mail, and so forth in the mix of services. This made the alliance project much more attractive to telecommunications vendors.

During this same period the university was planning a major renovation of the Carlson Library, which housed the campus telephone demarc. As the plans solidified, it became apparent that the demarc would be demolished. This meant replacing even more of the copper cable plant to reroute all telephones to a new demarc location. The PBX solution subsequently proposed by ALLTEL let us use the newly installed CNet fiber instead.

Only the internal building wiring for the residence halls was eliminated from the CNet project. The fiber runs to each residence hall were left in. Additionally, CNet had taken care of all horizontal wiring for voice and data in the balance of the campus buildings. As a result, the only intra-building wiring necessary in the alliance project, aside from the residence halls, was telephone trunking between network closets.

Edinboro's CWIN was previously designed and is being installed simultaneously with the Williams Alliance services.

External Factors

Factors external to the university also played a role.

Telecommunications Market. We decided to try to use the upheaval in the telecommunications industry to our advantage. Telephone companies were buying cable companies and vice versa in a race to dominate the Internet market. Telephone companies were beginning to compete for local exchange service as well as long distance services, and new fiber was being strung throughout the country. Voice over Internet protocol (VoIP) "was coming soon" along with other technological advances. We tried to use this project to get to the forefront of technology and stay there with a long-term partner.

Political Environment. Pennsylvania's governor was encouraging state institutions to enter into partnerships with private industry because of the mutual benefits, especially concerning technology. However, perhaps the greatest contribution from the governor's office was the development of a new Request for Qualified Contractor (RFQC) procurement process.

New Procurement Process. The standard SSHE construction and procurement processes didn't suit building an alliance. Our president approached the chancellor's office and offered Clarion as the guinea pig in trying to forge an alliance with private industry. The agreement was that we would identify the roadblocks and speed bumps in our path, and they would work with us to remove them.

Shortly after we got going, the Governor's Office of Information Technology released the first RFQC, which happened to be for telecommunications services for the Commonwealth. We obtained permission from the chancellor's office to use this new procurement process in place of the more rigid RFP and found it a perfect fit for the project.

Three Potential Points of Failure

Clarion began planning for its alliance project not knowing if the concept was viable. Fortunately, Edinboro had an example to follow. Both universities view this relationship as a paradigm shift — it's not a typical customer/vendor relationship, nor is it an outsourcing relationship in which the universities relinquish responsibility for service. In this partnership services supplied by the universities and their vendor partners are intermingled, and all parties work together for the students' benefit. We see this as a win-win-win situation for the vendors, the students, and the universities.

During Clarion's project we recognized at least three major potential points of failure for which we had no experience and no precedent:

1. the RFQC procurement process,
2. the consortium arrangement, and
3. the business case.

RFQC Procurement Process

Unlike the traditional SSHE network installation method, the RFQC process didn't mandate using an engineering company to design the network and to prepare RFPs for the wiring and the electronics. Instead the universities supplied the vendors with general guidelines, let them know what we envisioned as the end result, and let them tell us how they could get there. We wanted to promote creativity on their part, encouraging them to include any other services based on their strategic goals and abilities. The flexibility of the RFQC process let us brainstorm with

Table 1

Key Milestones of the RFQCs

RFQC Step	Clarion	Edinboro
Release RFQC invitation to prequalify	11/6/98	11/6/99
Letter of intent to participate in RFQC process due to university	11/25/98	12/1/99
Discovery day (pre-proposal conference)	12/1/98	12/8/99
RFQC statements of interest due to university	12/18/98	12/28/99
RFQC Addendum One released to qualified prime contractors	1/8/99	1/7/00
Initial RFQC responses due to university	2/5/99	2/2/00
RFQC negotiations	2/5–3/7/99	2/14–2/18/00
Best and final RFQC released	3/12/99	2/29/00
Best and final RFQC proposal submission to university	3/26/99	3/27/00
Evaluation and intent to award contract process complete	4/9/99	4/17/00
Dormitory wiring commences	5/17/99	5/15/99
Completion of dormitory wiring	8/21/99	8/22/00

each vendor to learn how their products, designs, solutions, and so on could meet our needs.

However, this flexibility didn't come without a price. It takes an immense amount of time and effort to work through all of the steps of the RFQC process. To make matters more difficult, both universities had extremely tight schedules.

Clarion released its initial RFQC document on November 8, 1998. This document contained general information about the project and described the RFQC process. After approving five consortia to continue in the process, we released Addendum One, which contained more detailed specifications. We then met with each consortium to discuss its proposal, fine-tune the services, and negotiate changes. These meetings helped us determine what could be accomplished and how, and learn how the vendors' strategic plans would aid the universities. In Clarion's case, we subsequently released a second addendum to clarify the issues and changes brought out in the vendor meetings.

The strength of the RFQC process lies in these multiple steps. They afford the flexibility to change the face and scope of the project by incorporating new ideas and eliminating others. The best and final RFQC distills all of the vendors' proposals and ideas, and contains what the university has determined is the best solution for its students. By this time the university has a more thorough understanding of the vendors' capabilities and limitations. At the same time, the vendors have a much more thorough understanding of the university's thinking.

Although Clarion based its initial RFQC on the previously released Commonwealth RFQC, our schedule was much shorter. We ended up completing many of the final steps of the process well before the Commonwealth and, therefore, had no precedent to follow. Consequently, we had to adhere strictly to the untested process outlined in the RFQC to avoid possible bid protests.

Copies of the RFQC documents for the two projects can be found at http://www.clarion.edu/rfqc and http://www.edinboro.edu/cwis/tac/mainmenu.html. Table 1 outlines the key milestones of the two RFQCs. Some of the due dates of the middle steps slipped during the process, but the final dates were met.

Consortium Arrangement

The second potential point of failure Clarion identified was the concept of using a consortium to supply the services. We recognized that no single vendor could supply the wide variety of services we requested with this project. However, the university didn't want to work with a number of different vendors. We wanted one point of contact for all issues regardless of the service involved. So we decided to use the concept of a consortium headed by a prime contractor, hereinafter referred to as the "prime."

As stated in the RFQC, the prime must "...serve as the 'single point of contact' for contractual matters between Clarion and the service providers." This means that the prime has to enter into other contractual or legal arrangements with each of the consortium members and take responsibility for their performance. This is a new way of doing business for most telecommunications companies, and we didn't know if they would be flexible enough or willing to take the risk. However, each of the two projects found at least three consortia willing to do so.

Business Case

The third potential point of failure, the business case, is the most important piece and the most difficult to sell to the primes. The overriding concept is that the universities won't pay for the wiring of the residence halls or guarantee repayment of the vendor's

Table 2

Clarion On-Campus Student Rates and Royalties

Service	Rate	Royalty
Long-distance telephone service	(1) $.07/min interstate, $.12/min intrastate + $5.00 monthly fee, (2) $.20/min 8:00 am–6:00 pm and $.10/min 6:00pm–8:00 am, (3) $.l2/min, (4) $.10/min + $4.95 fee	20%
Voice mail	$6.00/month	$5.00/month
Caller ID	$6.00/month	$5.00/month
Voice mail/caller ID	$7.50/month	$5.00/month
Cellular telephone	$14.95/month	$2.00/month after first 50 units sold
Networked Internet	$16.95/month	$2.25/month
Cable television	$29.95/month	$13.00/month

investment in the data network. Otherwise, we could just enter into a lease or long-term financing arrangement.

Instead the universities assist the primes with selling services to the students, employees, and affinity groups for a period of 10 years. Vendor royalties based on anticipated revenues from each customer group are developed during the RFQC process and incorporated into the contracts. These royalties are earmarked as annual repayments of the network investment. Table 2 shows an example of the rates and royalties for services sold to Clarion's on-campus students.

If the prime doesn't sell enough of its services to meet the minimum annual royalty amounts, it loses money. We insisted on this so that the primes assumed enough risk to continue to actively market and provide the services. Quite often when one enters into a long-term contract with guaranteed revenues, additional effort isn't necessary and service tends to diminish over time. This business case attempts to avoid that situation.

However, if the primes generate more than the minimum annual royalties earmarked for repayment, then the universities share in those additional royalties on a sliding scale. So aside from the obvious enrollment management reasons, it benefits the universities to assist the prime with marketing and improvement of their services.

In round figures, Clarion's annual royalties must total $200,000 per year to break even, which is ALLTEL's initial $2 million investment offer divided by the 10 years of the contract. However, ALLTEL then calculated the present value of the $2 million and reduced their contribution to that amount, $1.5 million. Williams Communications contributed $1.57 million to Edinboro's network and simply divided that amount by the 10 years of the contract to arrive at an annual royalty of $157,000.

Additionally, an annual "refresh" clause written into the contracts permits revisiting the technologies, the charges, and the royalties. An ancillary goal of the projects is to assure that the universities stay at the front of the technology curve. This annual look at new technologies and how we may be able to incorporate them into the mix helps us do that. It also allows us to reconfigure services and costs so neither partner is caught in a losing situation for a long period of time.

Another key component of the business case is that the universities own all of the equipment and wiring upon installation and acceptance. Both institutions had had arrangements with previous cable vendors where the vendors owned the coaxial cable plant that they installed in our residence halls, and we didn't want that situa-

Table 3

Clarion University Annual Residence Hall Student Fee Increases

Fiscal Years	Without Alliance Project	With Alliance Project
1999/00	$96	$13
2000/01	$48	$48
2001/02	0	$18
Total Fee Increase	$144	$79

tion again. In this way, if we decide to buy out the contracts for whatever reason, we have the ability to continue supplying the services.

The Numbers

Unfortunately, the business opportunities at the two universities didn't yield enough income to cover the entire cost of the data network, and both had to pay for a portion. Clarion paid approximately $600,000, and Edinboro paid $720,000. Consequently, student fees had to be assessed. However, Edinboro's student fee and Clarion's graduated fee, outlined in Table 3, are lower than they would have been without this project.

It's very difficult and certainly beyond the scope of this article to pull together exact cost comparisons between wiring the residence halls in the traditional manner and doing so through the alliance for each university. Two reasons for the difficulty are the complexity of the alliance projects compared to a simple network installation and the unique internal concerns of the universities. Not only would this compare apples (alliance) to oranges (network installation), but much would have to be estimated, such as 10 years of Centrex service and the savings Clarion experienced by avoiding the massive rewiring needed to relocate the Centrex telephone demarc. Additionally, the cost (in terms of lost revenue) of not offering the broader array of services is difficult, if not impossible, to determine.

However, for illustrative purposes Tables 4 and 5 outline the costs of Clarion's project. ALLTEL's total investment was $1,500,000, while Clarion's installation costs were $3,219,970.

Personnel Savings

Perhaps one of the greatest cost savings for both universities was in annual personnel costs. The ALLTEL alliance supplies almost two full-time equivalent (FTE) personnel in the computer store; one FTE support person for on-site PBX management (supplemented with remote management); a part-time on-site data network manager (supplemented with remote data network management); and one FTE support person for troubleshooting support of telephones and cable TV. Both the PBX and the data network are monitored 24 hours a day.

Other areas of support include telephone help desk support for Internet and application software until 1:00 am, seven days a week; management of all marketing, signup, billing, and provisioning processes; and the additional personnel needed during the first few weeks of the semester. Clarion estimates it's saving approximately $225,000 annually in personnel, marketing, billing, and collection costs, while Williams Communications estimates Edinboro's savings at around $300,000.

Clarion did send a telecommunications clerk for technical training on the MAT6 software so that she could continue to make moves, adds, and changes for telephones and telephone extensions. She performed this service under the Centrex contract, and we wanted her to continue to quickly address these needs without having to add steps to the process, such as involve ALLTEL.

Budget Issues

Clarion took this opportunity to reconfigure its telecommunications budget to decentralize expenses. Each university department now pays for its own telephone extensions, voice mail, and call attendant systems. The new budget covers the telephone trunk charges, PBX maintenance, debt service on the PBX, and a contingency fund for PBX upgrades. Edinboro plans to do the same.

Clarion's telecommunications budget was increased by $110,000 for fiscal years 1999/00 and 2000/01, and will be reduced to $60,000 for each year thereafter. Therefore, Clarion is receiving all of the services listed in Table 1 for the amount of these increases plus the student fees in Table 4.

Key Success Factors

The two alliances have succeeded for a number of reasons. Not least among them is the creativity and risk tolerance of our institutions and our partners.

Table 4

Clarion University's Installation Costs

Service	Cost
Telephone systems including PBXs, wiring, telephone instruments, etc.	$2,259,152
Intra-building wiring in residence halls for telephone, data and video (coax), and data electronics	$2,107,603
Installation of telephone services (trunks, DIDs, etc.)	$115,000
Site preparation	$34,415
Design and documentation	$28,800
Project management	$30,000
Total installation costs	$4,719,970

Table 5

Clarion University's Recurring Costs

Service	Annual Cost
Telephone system management/maintenance	$91,200
Data network management/maintenance	$96,785

Support of Senior Administration

From the universities' viewpoint, first and foremost is the support received from senior administration. These partnerships are a new way of doing business, and it's not easy to change institutionalized, bureaucratic procedures and red tape. Our presidents, financial vice presidents, vice chancellors, and legal counselors met this challenge with open minds and eased the way.

Technical/Business Expertise

Another success factor is the expertise of campus employees and our consultants. Clarion had extensive data networking expertise in-house as well as proficiency in financial issues and contract management. However, we lacked experience with PBX systems, cable television systems, the new RFQC procurement process, and public/private partnerships, in general. Fortunately, we were able to hire that expertise from RCC Consultants, who also assisted with project management and wrote all of the RFQC documents. Without their efforts the project could not have been completed, especially within the tight timeframes. Edinboro augmented their in-house expertise with RCC Consultants, also. RCC, in turn, subcontracted Clarion's network manager for Edinboro's data network design evaluation.

Cross-University Committee Structure

Both projects also benefited from the inclusive cross-campus committees that keep all of those affected by the project in the loop. The committees consisted of deans, directors, or managers from the departments listed in Table 6.

Table 6

Project Committee Members' Departments

Clarion	Edinboro
Computing Services	Network and Telecommunications
Facilities Management	Facilities Management
Student Life	Residence Life
Controller	Controller
Purchasing	Purchasing
Alumni Relations	Development and Marketing
College of Business	

RFQC

The flexibility of the new RFQC procurement process also proved a key success factor. The iterative negotiation process makes complex projects like these alliances possible. As an example, the process permitted the interaction that resulted in Clarion's discovery of ALLTEL's two strategic directions: to move into the competitive local exchange (CLEC) market, and to expand its presence in the higher education market. Consequently, we developed a project where we could blend our goals for mutual benefit.

Post-Implementation Management

Both institutions now face the ongoing management issues for which, again, we have no precedent. Both have created an Alliance Coordinating Council consisting of representatives from purchasing, computing services, student life, finance, and marketing. The council has the authority to modify procedures and assist with the improvement of services. However, if a modification changes the terms of the contract in any way, the contract administrator's approval is necessary.

Clarion and ALLTEL have developed a management structure with varying degrees of success. ALLTEL has supplied two project managers. One handles sales, marketing, and development issues, while the other handles operational issues. These individuals are the university's points of contact for problem resolution and procedural developments. They bring all issues and suggestions to the attention of ALLTEL's local senior management for resolution and approval.

Regularly scheduled functional meetings are held for the areas where university services meld with alliance services. For example, Clarion's network manager meets with ALLTEL's two subcontractors responsible for network support and Internet service. The alliance help-desk personnel meet with the university help-desk personnel to work out student support issues that overlap. Residence life staff also attend the help-desk meetings, since they tend to get the student complaints first.

Clarion and ALLTEL also have project-level meetings. Consider, for example, our new Student Technical Assistant program, in which students are trained to handle low-level trouble calls and to help residence hall students get their services up and running at the beginning of the semester. All ALLTEL and subcontractor employees involved in the project met with residence life and computing services employees to contribute their experience and expertise in designing the program and developing the procedures and student training manual.

Clarion holds an annual spring marketing meeting to develop the materials for the summer mailing and to prepare for new-student summer orientation sessions. Last year, as project manager, I met with ALLTEL and residence life personnel to pull all of the pieces together and update information. In the future, the residence life representatives of the Alliance Coordinating Council will meet with ALLTEL.

Williams Communications has assigned one full-time project manager at Edinboro University as the single point of contact. However, that project is still in the implementation phase, with the PBX slated for installation in the December 2000–March 2001 timeframe. Therefore, the cross-campus implementation committee and RCC Consultants remain actively involved.

These management structures are flexible. As we recognize what's working and what isn't, we'll continue to

reorganize to improve the long-term management of the project. Additionally, Clarion and ALLTEL will revisit the technology and the charges during the first annual review, scheduled for the Spring 2001 semester.

Thinking of Starting Your Own Project?

Edinboro avoided some pain by learning from Clarion's experience, and universities subsequently undertaking a similar effort can continue to learn from their predecessors. In that vein, a few suggestions follow to make the process a little smoother should you consider a similar project on your campus.

- Hire a consulting firm.

Given the broad scope of a project like this, chances are you won't have all of the needed expertise on campus. So my first suggestion is to hire consulting services with both financial and technical expertise. If you use a similar procurement process, you won't have enough time to manage the project and do your regular job simultaneously. Additionally, sometimes the extra weight an "expert's" opinion carries comes in handy.

- Look for previous relationships.

One new relationship in the ALLTEL consortium was so rocky we almost lost a member three weeks before the services were to go live. We'd felt we shouldn't concern ourselves with subcontractor contracts because the prime assumed responsibility for all products and services. Unfortunately, if their contract negotiations fall through, it doesn't matter who's responsible—your students will suffer.

Therefore, when evaluating consortia, look for previous relationships. We found that the more experience a subcontractor had in working with the prime, the smoother the implementation of that service or product. Look for long-term working relationships even if not contractual. Of course, performing the work under an already existing contract is the best situation of all.

Since it may be impossible to take advantage of existing relationships for all of the services, be prepared to pay more attention to any new partnerships, push harder for pre-signed contracts, and prepare for glitches in the implementation of those services.

- Look for previous experience.

Try to find a consortium with experience in delivering residence hall services. Just moving into this market now, ALLTEL doesn't have a wealth of experience with this unique market segment. They are trying to make the students' services fit into their existing residential customer processes and procedures, such as standard billing and a call center for telephone repair. Their systems aren't flexible, and the fit isn't always comfortable. Consequently, we work continuously together to improve the services. Other vendors, such as Edinboro's subcontractor, Telesoft, are experienced in this market and have already developed flexible billing systems with Web front ends and processes geared toward the student customer. In those cases, you don't have to help reinvent the wheel.

- Give yourself plenty of time.

The schedules for both of our implementations were too tight. I recommend that you give yourself at least one and a half years after your consultant comes on board to complete the procurement process. Then you can prepare for implementation during the summer months when the residence halls are empty. This may also reduce the cost, as it won't be necessary to pay for overtime or extra crews to stay on schedule.

- Take care in how you sell the project to vendors.

Cable television and a new telephone system are the big money makers for the vendors. For contractual reasons, cable television at Clarion wasn't included until partway through the project. The inclusion made a big difference in the business cases. Additionally, 10 years of guaranteed income is very attractive. You should also press the importance of brand loyalty. Businesses have recognized that many people develop lifetime brand loyalty during their teen and young adult years.[1] That's why Coke and Pepsi vie for exclusive contracts on college campuses.[2]

- Emphasize marketing.

Clarion had difficulty working with ALLTEL in developing the first marketing packet for a number of reasons. ALLTEL had to work out their internal processes first—they discovered they had to use the marketing department at headquarters in Little Rock, Arkansas, rather than a local vendor for design and printing. They also discovered that their marketing department doesn't do any editing, which meant copy went back and forth multiple times as the university and consultants ended up doing most of the editing. The short six-week time frame within which we had to work also made the job much more difficult.

Based on Clarion's experience and the knowledge that marketing is key to maximizing the customer base, Edinboro decided to contribute $50,000 to its partnership for the development of a marketing packet. They also controlled its development. They're confident that their high subscription rates result directly from this decision. This difference in the handling of the marketing demonstrates the procurement process's flexibility, fine-tuning each piece of the project to the needs of the individual university.

- Learn to adapt to cultural differences.

Perhaps the most difficult issues to deal with are the cultural and personal shifts that may be necessary. For example, academia and for-profit business have different ideologies and structures. While our corporate partners talk about customer service, at Clarion we often feel they don't put as much emphasis on it as we do. They concentrate more on the bottom line, and we concentrate more on enrollment management, meaning good student service. Consequently, the university seems more concerned with how the students view the alliance than do our partners. When problems arise (and they do), we feel we have to push the alliance to be more proactive in addressing student concerns and making amends for poor service.

It's important not to become judgmental. Neither viewpoint is "right" or

"wrong"—they're just different. The university must develop a team mentality with its alliance partners despite their different perspective. Unfortunately, Clarion and ALLTEL's team mentality was somewhat damaged while dealing with implementation and service difficulties, and we're now rebuilding it. As we move from implementation into the ongoing management phase, this is becoming easier to do.

Another difference in cultures concerns how we manage projects and services. In academia we use an inclusive style of management. We have committees that represent various components of the organization, we share information freely, and we distribute the decision making process. In the corporate world one manager may make a decision without consulting others, or the company may operate in "corporate silos" where one department or one region isn't aware of what another does. It's not easy for either party to adjust to the other's organizational culture.

Size also plays into the mix. Clarion is a mid-sized university, and although we have three campuses, they're all geographically located in Western Pennsylvania. ALLTEL is a national organization with its home office in Little Rock, Arkansas. They have many more layers of management to work through, especially since many issues need to be run through corporate headquarters.

■ Learn to live without perfection.

You must also remember that this isn't a "best of breed" project. Given the broad range of services, you must accept that you won't like every aspect of the project. You must base your decision on the consortium that best meets your needs. No consortium met all of our needs in the best possible way. Rather than succumbing to the human tendency to lament the proposal's one or two weaknesses, keep the larger picture in mind. For instance, the telecommunications staff at Clarion may not like the telephone design, but our residence halls were wired on time at 35 percent of the cost, and we've completely overhauled the telecommunications services for the students and the university.

■ Learn to give up control.

If you're a control freak, you'll have a hard time with this type of project. Those involved must develop a partnership mentality, which means helping your partner improve their service delivery whenever you receive complaints. You cannot dictate how to do things because your staff isn't supplying the service. However, you don't completely outsource responsibility, either. We've sometimes thought we could do better ourselves—but only if we had the personnel. We don't.

Control can be hard for both the university and the prime to relinquish. ALLTEL faces this same issue with some of their subcontractors.

■ Expect lots of management overhead.

I think Clarion was particularly naïve about management overhead. The university saved in personnel costs at the technical level, but we didn't alleviate the management overhead. We thought we wouldn't be much involved in the marketing efforts, and we were wrong. We underestimated the amount of effort it would take to jointly develop processes and procedures.

I believe it would be in the best interests of both the primes and the universities to each appoint a full-time, mid-level manager to the project during implementation and for at least one academic year afterwards. After that the services are more stable, and the various managers affected by the project can better absorb the management responsibilities.

■ Make sure your negotiators can negotiate.

Before beginning negotiations, make sure the individuals attending the negotiation sessions have decision-making authority. This is one of the first things they teach you in Business 101, but making sure it's true is more difficult. Clarion hammered out a number of issues during long negotiating sessions with an individual representing the prime only to find some of them second guessed and new issues brought to the table by his boss, who didn't attend the sessions. This almost killed the project on two occasions.

Clarion also ran into problems when we reached the contract legal review stage prior to signing. Our legal counsel had been involved in the process from the beginning. However, ALLTEL's Little Rock lawyers had not, and this slowed down the review process even further.

Where to Now?

The final phase after implementation and ongoing management is the annual review. Again, with no precedent to follow, we'll be breaking new ground. Clarion's first review will take place during the Spring 2001 semester, a year before Edinboro's. Both the ALLTEL consortium and the university have ideas on improving market penetration and service delivery. At this juncture we're not interested in introducing any new technologies, only in continuing to improve the services we now have.

Unfortunately, ALLTEL hasn't made the inroads we wanted in the alumni, employee, and parent affinity groups. Now that the services are stabilizing, we can put more effort into those areas.

Although the alliances have been more work than originally imagined, they did accomplish the projects' main goals. Better yet, we exceeded the main goals: Within three-month periods each university physically installed additional products and services, resulting in improved computing and cable television services for the on-campus students. Additionally, the subsequently installed PBXs improved telephone services for both the university and the students. All of this was accomplished without increasing personnel and with relatively small increases in the telecommunications budget and student fees—not an insignificant feat. *e*

Endnotes:

1. See, for example, "Staples.com Selects VarsityBooks.com to Market to the College Demographic," in *PR Newswire*, May 30, 2000.
2. "Campus Cola Wars," *The Chronicle of Higher Education*, February 9, 1994.

Karen DeMauro (kdemauro@clarion.edu) is Assistant Vice President for Computing Services at Clarion University.

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