Aligning to Purpose

I have convinced myself that one of the most important decisions I can make as an IT leader is choosing which battles to fight. Ideally, those of us in higher education take on only those projects, technologies, and initiatives that will generate meaningful value for our institutions. Although that sounds simple, it is incredibly challenging, since individuals and groups have widely different ideas about what generates meaningful value for our institutions.

When I became the CIO of Western Governors University (WGU) in 2011, I inherited a large portfolio of custom software-development projects. One of these projects was to build our own student profile application. This application would keep track of information such as student name, address, telephone, e-mail, educational goals, career goals, and educational and employment background. The person who had requested, very strongly, that we build our own student profile application felt that it would be a linchpin for our short- and long-term success. With a custom-built student profile application, we would be able to do a better job of managing our students’ information. Clearly, having a really good student profile application was important. But how could we design the system so that it generated meaningful value for the university?

By the time I inherited this project, a team of four software engineers had spent nearly 4,000 hours on it. As is often the case, the requirements had changed during the project, and some had become more complex. During my first review of the project, I asked myself if building this application was a battle I wanted or needed to fight. Was this project a good use of my scarce IT resources?

How could I best answer that question? Several years ago, I developed a model that I use to help me decide not only which battles to fight but also how to fight the battles that I take on. I call this the Purpose Alignment Model because it aligns around the purpose of our activities.

Using the Purpose Alignment Model, we can categorize all of our projects, processes, business rules, features, and functions according to two factors: the extent to which they will create market differentiation for us, and the extent to which they are mission-critical for us. This results in four types of purpose. In the upper-right quadrant are those activities that are both market-differentiating and mission-critical. These differentiating activities are the few things—somewhere between one and three in number—that we must do better than anyone else. They deserve our innovation and creativity because these are the things that create our competitive advantage, our unique value proposition. To optimize value, we apply the following rules to these activities:

- We should strive to always be the market leader through continuous innovation.
- We must focus by having no more than three activities that we consider to be our differentiators.
- We need to own our competitive advantage and never outsource what makes us unique.

However, most of our activities fall in the lower-right quadrant. These are the things that are mission-critical but that will not create market differentiation. We must do these parity activities as well as everyone else, but there is no reason to think of ways to perform such activities better than anyone else. These projects, processes, business rules, features, and functions are incredibly important, but they do not need to be performed in a unique or innovative way. To maximize value, we apply the following rules to these activities:

- To eliminate dangerous parity gaps, we need to embrace and adopt best practices by learning from market leaders in these activities.
- We must reduce risks by embracing and adopting best practices and simplifying all we can, since complexity increases risks.
- Because most of our resources are consumed in performing parity activities, we should unleash capacity by standardizing our parity activities so that fewer resources are needed to do this work.

Finally, on the left side of the Purpose Alignment Model are the non-mission critical activities. For those activities that could create market differentiation (top-left quadrant), we find a partner with whom we can create competitive advantage,
though these partner activities are very rare. And last is the lower-left quadrant: "who cares." All decisions about who cares activities should take almost no time and be based primarily on cost. Hopefully, these activities are also very rare.

Applying this model to the student profile application, we asked: What is the purpose of student profiles? Would they create competitive advantage and differentiate our institution, thus requiring innovation? Or were they mission-critical and thus could be based on best practices? To answer these questions, I had to define how WGU created competitive advantage. What does WGU do better than any other institution? How does WGU win in the marketplace? What does WGU do to attract and retain students? The answers were all the same: competency-based, self-paced higher education. To a certain extent, WGU created competency-based higher education, having spent the seventeen years since its founding in figuring out how to improve competency-based higher ed. This is WGU’s unique value proposition. What, then, about student profiles? A student profile application was clearly mission-critical, but was it something that directly supported WGU’s competency-based, self-paced market leadership?

As a team, we discussed this question, and not finding a clear connection, we decided that the student profile application supported parity business rules at WGU. Yes, we needed a really good student profile application, but we did not need to invest one. We had already made a decision to implement a single customer relationship management (CRM) system to track and manage every interaction between students and the university. On a Friday afternoon, I asked my newly hired CRM support engineer to estimate the level of effort that would be needed to implement the student profile requirements in the new CRM system. On Monday morning, he reported that it would take about 8 hours to configure the student profiles in the CRM system. “How do you know it will take only 8 hours?” I asked. He answered: “Because that’s how long it took me on Saturday to finish the job.”

Which battle is better to fight? Should we spend 4,000 hours to build an application that will not create unique or compelling value, or should we get the job done in 8 hours?

This is why I use the Purpose Alignment Model for every decision I make. In another example, we wanted to replace a long, manual, complex student-assignment process with technology. Our faculty used the manual process to find the perfect match between students and faculty advisors—and in a competency-based, self-paced model, student advising is mission-critical. But did the student-advisor matching process help WGU create competitive advantage? Did students enroll at WGU because we had an amazing system for connecting them with advisors? They did not. But automating this process could create significant value. Since we could not buy such a system, we decided to build our own. But because the system would support parity activities, we would build it in a parity way—by standardizing the business rules rather than handling exceptions. Yet as we designed the student-advisor matching system, we discovered that the faculty used a certain level of intuition as they finalized the matching decisions. To me, the notion of building logic to replicate human intuition bordered on inventing technology—but it would be technology that supported a parity process. So, rather than trying to create mind-reading software, we agreed that our system would present a proposed student-advisor match, which the faculty would then finalize. This approach achieved the goal of automating the process without having to invent mind-reading technology (we will let someone else take on that job, and then we’ll adopt what they create).

A final example of our use of the Purpose Alignment Model to pick and fight the right battles involved student analytics. Discovering which students are at risk can be challenging in a competency-based, self-paced model. If a self-paced student has done nothing for two weeks, is the student taking a well-deserved break, or is the student thinking of dropping out? One of the ways we could directly support WGU’s unique value proposition was to identify which students might be at risk so that we could improve our support for those students. Aligning our innovation to this opportunity, we created technologies that allow us, using an extensive data set, to assign students to risk categories. We then changed our business rules and processes so that the entire university focused proactive attention on the at-risk students while letting the not-at-risk students ask for help when they needed help. We built predictive analytics, course analytics, and a data collector (to gather the immense amount of data we had about the real-time activities of students). In a pilot involving 1,400 students, this approach resulted in a 10 percent improvement in student retention. Given WGU’s goal of increasing student success (as measured by higher graduation rates), developing this technology seemed to be a battle worth fighting. The fact that we no longer allocated scare IT resources to projects such as building our own student profile application or inventing mind-reading technology allowed us to devote resources to improving analytics on student engagement.

In conclusion, a key goal for those of us in higher education is to align our activities with what will generate the most value for our institutions. The Purpose Alignment Model can optimize value by reminding us to focus innovation and creativity on what directly supports our unique value proposition and by helping us to decide when to purchase existing, market-leading technologies and when to standardize and simplify our procedures for mission-critical—but not market-differentiating—activities.

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