From the Private Sector to Mars: Observations and Advice

Wanted: Chief Information Officer for large (or small), private (or public), decentralized (or centralized) institution of higher learning. Must have high tolerance for committee meetings, consensus decision-making, thousands of independent entrepreneurs (aka faculty), and collaboration. Must be able to tolerate ambiguity and a pace that can be maddeningly slow. The mission—teaching, research, service—matters. Earnings per share, return on investment, return on committed capital, and other business metrics matter less. Must be able to get the most out of existing staff: our culture frowns on letting people go. Must be adaptable to different business models: we turn away 90 percent of prospective “customers,” and we have a predefined market. We offer the opportunity to work with many of the smartest people in the world, doing amazing research and education; to be surrounded by highly motivated, mission-focused people; to enjoy a true work-life balance that the private sector only pretends to embrace; and to know that you are doing work that makes a difference.

As vice president of information technology and the first university CIO at the University of Pennsylvania for the past four and one-half years, I have experienced firsthand the shock and awe of moving into higher education from “corporate America.” And I am not alone: there is a continuing trend toward private-sector IT leaders moving into higher education. To ease that transition, I here offer some observations and advice from the perspective of someone who spent twenty-nine years working in the private sector before coming to higher education.

When the University of Pennsylvania called, my initial response was that they must have the wrong number. Before joining Penn, I had started new jobs seven times (three as global CIO) in three different industry verticals (hospitality, wholesale distribution, and healthcare) for very large (Fortune 30), rapid-growth, aggressively profit-driven, high-stress companies. I experienced the vertigo that comes with such moves—new languages, new metrics, new people, new customs, and new values. Taking a job in a different industry is like moving to another country. But none of that prepared me for the switch to higher education. This was more like landing on Mars. The day I walked onto campus, the CIO tool-belt I had developed and depended on for my success over the years ceased to be useful. I had to develop many new tools as a CIO at Penn because of three main differences associated with working in higher education: motivation, decentralization, and culture.

The most profound difference is motivation, and by this I mean mission versus market. It has taken me much longer to effect change in the organization and to have the kind of overall impact that I have had in other jobs. One reason is the motivation of the university: the mission. In the private sector, motivations are driven largely by market expectations, stock price, and competition, all of which put a premium on information technology. Yet no matter how important information technology is at Penn, it will never be the primary lever for change, the business driver, that it has become in most industries. At Royal Caribbean, American sourceBergen, and DaVita, technology drove and enabled the business. I was, quite literally, at the table for the most critical strategic business decisions. At Penn, information technology is important, but it is more foundational and supportive and does not take center stage. That stage is rightfully reserved for education, research, and service.

As a consequence of that reality, the CIO in higher education will not have the quarterly market calendar and expectations to drive pace and decision-making. The academic calendar is very different, and the collaborative and committee-based decision-making can drag out even seemingly inconsequential decisions. Having said that, I believe that the market perspective can be a value driver for the institution. For example, when I first arrived at Penn, the university was planning to build a brand-new, on-campus data center for central computing. I recommended against this capital investment based on the emerging cloud market, software as a service, compute virtualization, and the plethora of strong colocation and outsourcing providers offering raised floor space.

ADVICE: The market perspective is important and will bring value. Use it judiciously, and don’t assume that what you consider to be “rational,” “right,” or “no-brainer” (based on previous experience) is appropriate to the mission of your institution. Try to strike a balance between the institution’s pace and your sense of urgency. In my case, I call that splitting the difference between Penn-time and Tom-time.
Another difference is the degree to which decentralization prevails. At Penn, we operate under a budget model called Responsibility Center Management (RCM). While I have worked in both federated and decentralized companies, I have never experienced anything like the confederation that exists here. Even in the most decentralized companies, there was a unifying force (the stock price), and there was always aCxO who would mandate when necessary. There were shared strategies and priorities across units, and there were market consequences for inefficiency. It’s different in the university, where I have some forty peers who run their own IT organizations, control their own budgets, and maintain their own decision rights on behalf of the school or center they represent. It’s for this reason that higher education environments are often compared not to hegemonic corporations but to diverse cities, with at times competing functions and interests. This reality places an enormous emphasis on cultivating relationships, encouraging collaboration, and seeking balance among very different organizations, value propositions, and needs for faculty, staff, and students. From a private-sector lens, this appears to be inefficient and leads to redundant spending. This decentralization may also be the difference that causes the most anxiety for CIOs coming from the private sector and results in self-selection out of higher education or in institutional rejection of those who cannot adapt.

ADVICE: Listen carefully to each school and each center. They really are different, and their approaches to and perspectives of “the mission” vary. Look for opportunities to add value by matchmaking, and don’t overemphasize “efficiency.” You won’t own, let alone control, everything. You will have a lot of accountability with little authority.

By far the biggest challenge for me has been the third difference: the culture of higher education. When you start a new job, it’s natural to bring the playbook that has worked in multiple jobs and industries. My private-sector playbook had what I considered to be standard operating principles/norms that I assumed would be understood. They weren’t. At Penn, it took a while for me to realize that in many cases, people honestly did not understand what I was talking about. This was my problem, not theirs. A wise person once compared working at Penn to living in a small town—a place where many people grow up and never leave. Think of every movie or TV show you’ve seen in which an outsider moves to a small town with an unconventional culture all its own. To everyone who has lived there forever, the town is normal, as is the behavior of any number of quirky eccentrics who no longer surprise the long-term inhabitants.

One of the biggest difficulties of stepping into a place like that is not knowing how people are connected to one another. And they always are, usually in unexpected ways. That is important to understand because it helps to explain people’s priorities and how they rely on and influence one another and what ideas and experiences support their beliefs. This is where patience, perseverance, and empathy come into play. I now believe that the longer I am at Penn, the more people will connect with me and follow me because they will see me as one of the quirky eccentrics who has stuck around. I hope that over time, I will make more sense to them (or they’ll just become used to me).

ADVICE: Take it slow, and really get to know people. Don’t jump to conclusions about behaviors based on initial impressions. Don’t push your playbook too hard; there are some gems in there, but you need to adapt to the situation. Empathy, not judgment, is the play here. Most people are in higher education because they honestly and earnestly believe in the mission.

So you’re ready to take the job, right? It’s not for everybody, but for the right person, it’s amazing. As in any other job, there are good days and bad days. There are politics and frustrations and too many demands with not enough supply. But there is something special about higher education. I have helped open the largest hotels in the world and have brought out the largest passenger ships ever built. I have been blessed with great work experiences and colleagues through the years. But I have never, ever gotten so excited from work until coming to Penn. Each time I don my regalia and participate in convocation and commencement, I get goosebumps. We are on a mission; to educate the next generation of leaders, to innovate the next life-altering technology, to further connect with our fellow human beings—in short, to change the world. And I get to play my part at one of the greatest education, research, and service institutions on the planet. Now that’s a job!