CCA-EDUCAUSE
Australasia 2011
“The Game has Changed”

Changing the Game

Brad Wheeler
Vice President for IT and CIO, Dean, & Professor
Indiana University

Greetings From a Fellow Australian

Indiana University’s 18th President
Michael McRobbie

Former Professor of Information Science
CEO, Cooperative Research Centre for
Advanced Computational Systems
Institute of Advanced Study
Australian National University (ANU)
The Point:

Problem:
Higher Education lacks a suitable structural capacity for [agile] collaborative action ...at scale.

Answer:
Higher Ed must become more sophisticated in choosing our (1) games for aggregation and (2) means for coordinating industry resources.

“The GAME has Changed”
Games are Fun...

Games have Participants

Participants vary in Skill
Games have Rules...

We Don’t Like It When People Don’t Play by the Spirit of the Rules
And...

the Rules Sometimes Change...

So...

What are the Rules of the Higher Ed IT Game?
Rule #1: Research and Education Become More Technologically Intensive

*Higher Ed Must Play. No Passes Allowed*

Rule #2: IT Imposes *Inescapable* Costs

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<td>Support</td>
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Sources $

- Government
- Tuition
- Grants
- Philanthropy

Uses $

DIRECT
Investment in Research & Education

INDIRECT
+ Enabling
Other?
- Leaks

Rule #3:
IT is a Game of Scale

Rewards (profits/savings) accrue to scale

Winners ← → Losers
Therefore

#1 HE is increasingly IT dependent
#2 IT cost $
#3 Scale is advantageous

Question:
How does Higher Ed get Scale?

Answer: Via Aggregation

Aggregator Needed

What is the game for Aggregation? How can H.E. play?
Which Aggregator Game to Play?  
*How to Achieve Scale?*

A. **Market** of sellers and buyers (Commercial)?
   - Products, offers, terms, roles, contracts

B. Virtual **Hierarchy** (Center of Excellence)?
   - Institution is aggregator/service provider

C. **Consortium**?
   - Shared governance for service provision

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Are the Rules the Same for Each Game?

No...
A) The Game of Buyers and Sellers

“There is one and only one social responsibility of business—to use it resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.”

Milton Friedman
Nobel Laureate

The New York Times Magazine, September 13, 1970
The Commercial Model Plays Shrewdly

“Greed is Good”

*Winners (usually) seek and achieve scale*

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Case Study Outcome: Market Game

**Scholarly Communications**
Graph 2

Monograph and Serial Expenditures in ARL Libraries, 1986-2006*

*Includes electronic resources from 1995-2006 onward.

Serial Expenditures (+321%)

Serial Unit Cost (+130%)

Monograph Expenditures (+42%)

Monograph Unit Cost (+78%)

Serials Purchased (+61%)

Monographs Purchased (+15%)

Research Library Trends Tables and Graphs, 11
In the market game...

Commercial Supply Side is not the Problem

Conclusion:

Supply Side Aggregates... Buy Side Fragments... Outcome...*predictable*
Market Game is a Values Conflict

• The responsibility of commercial firms is to make H.E.’s money theirs.

• The responsibility of higher education is to provision needed services with economic efficiency...over the long term.

How to affect the Rules of the Game?
B) The “Hierarchy” Game:

*The Higher Ed Store*

In Corporate Speak:
A Center of Excellence
Hierarchy Game can Match Values

• Higher Ed Institution(s) is/are the provider(s)

• Money (mostly) stays in higher ed

• Risks

How to affect the Rules of the Game?

C) The Consortium Game:

Formal coalitions, collaborations, partnerships
“Collaboration is not the same as cooperation. Collaboration requires alignment around a common goal. Collaboration is about doing something together. Collaboration only lasts as long as the alignment around common purpose lasts.”

James Hilton, U. of Virginia

Collaboration at Scale is Possible

The Internet Reduces Coordination Costs
2009 Nobel Prize in Economics

“...challenged the conventional wisdom that common property is poorly managed and should be either regulated by central authorities or privatized.”

Elinor Ostrom

“...focuses on the problem of regulating transactions that are not covered by detailed contracts or legal rules. He has argued that markets and firms (hierarchies) should be seen as alternative governance structures that differ in how they resolve conflicts of interest.”

Oliver Williamson

Meta-university Collaborations

(Just to name a few...)

Books  Journals  Textbooks  Learning  Administrative

Very real lessons and insights from the past decade. Rules of the game created FOR higher education’s values
Open Source Administrative System Software

Kuali Member Institutions

1. Australian National University
2. Boston University
3. Boston College
4. Bradley University
5. Brock University
6. Brown University
7. California State University – Office of the Chancellor
8. Carnegie Mellon University
9. Colorado State University
10. Cornell University
11. Duke University
12. Indiana University
13. Indiana University Foundation
14. Iowa State University
15. Lehigh University
16. Marist College
17. Massachusetts Institute of Technology
18. Michigan State University
19. NACUBO
20. Naval Postgraduate School
21. North Carolina State University
22. North West University (South Africa)
23. Ontario College of Art and Design
24. Pennsylvania State University
25. Research Foundation of the City of New York
26. San Joaquin Delta Community College
27. The University of Arizona
28. Triangle Research Libraries Network
29. Tufts University
30. Tulane University
31. University of British Columbia
32. University of California- President's Office
33. University of California-Berkeley
34. University of California-Davis
35. University of California-Irvine
36. University of California-Santa Barbara
37. University of California-San Diego
38. University of Chicago
39. University of Connecticut
40. University of Florida
41. University of Illinois
42. University of Hawaii
43. University of Maryland
44. University of Pennsylvania
45. University of Southern California
46. University of Toronto
47. University of Virginia
48. University of Washington
49. West Virginia University
Kuali Commercial Affiliates

Changing the Game
Influence the Rules of the Game?

A. Market of sellers and buyers (Commercial)
   • Products, offers, terms, roles, contracts

B. Virtual Hierarchy (Center of Excellence)
   • Institution is aggregator/service provider

C. Consortium
   • Shared governance for service provision

Assessing the Games

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<th>GAME</th>
<th>Values</th>
<th>Control/Power</th>
<th>Execution</th>
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<tr>
<td>Market</td>
<td>Conflict</td>
<td>Sellers</td>
<td>Proven</td>
</tr>
<tr>
<td>Hierarchy</td>
<td>Aligned... but...</td>
<td>Institution</td>
<td>Mixed</td>
</tr>
<tr>
<td>Consortium</td>
<td>Aligned Coopetition</td>
<td>Members</td>
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Charles M. Vest
President Emeritus, MIT

“...we are seeing the early emergence of a meta-university – a transcendent, accessible, empowering, dynamic, communally constructed framework of open materials and platforms on which much of higher education worldwide can be constructed or enhanced.”

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