

# CAMPUS TECHNOLOGY



## 2006 Campus Technology Innovators

**TECHNOLOGY AREA: OUTSOURCING**  
**Innovator: Drexel University**

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**BIELEC, AT DREXEL:** Bringing IT benefits to his university and its campus partners, via an ASP model.

### Challenge Met

A majority of the over 3,500 colleges in the US have fewer than 2,000 students. Realizing this, **Drexel University** (PA) has partnered with more than 50 colleges in an application service provider (ASP) arrangement in which Drexel hosts the software and services on its campus. Through the ASP arrangement, headed by John Bielec (Drexel CIO and VP for information resources and technology), the partner campuses now fund 27 percent of Drexel's central IT costs, and 20 percent of central IT staff. This has enabled the university to maintain its IT spending costs at a constant level since 1997, and if annual cost-of-living adjustments are considered, IT spending has declined.

The ASP arrangement, which began with a single school five years ago, benefits both Drexel and its partner schools:

- Partner schools can access world-class IT services and resources while avoiding the costs and requirements of managing them.
- IT spending by partner schools remains constant after partnering with Drexel.
- Processing power and storage resources at individual partner schools have increased by an estimated 5,000 percent since joining with Drexel.
- Drexel's income from external partners has increased 400 percent over three years, exceeding revenue-enhancement goals.
- Drexel has documented a 2,500 percent increase in its internal processing power and storage performance.
- Drexel can replace a small college's entire ERP system within an eight-month window.
- Drexel can replace 100 percent of a partner institution's business processes in less than 12 months, on a cycle reflecting modern business rules, systems, and web-based transactions.

- Partner institutions offer nearly 500 online courses that are transparently hosted at Drexel.
- Partners leveraging Drexel volume discounts can cut costs and shorten equipment lifecycle replacement to four years or less.

### **How They Did It**

Drexel established relationships with various technology companies based on industry leadership, product acceptance, and out-of-the-box integration with other segments of its solution. Primary products used include [Sun-Gard Higher Education's](#) Banner and Luminis suites; [Oracle's](#) relational database and application server; [Blackboard's](#) WebCT Vista; [IBM's](#) xSeries servers; [Sun Microsystems'](#) Sun Fire servers, Solaris, and Java Enterprise System applications; [Red-Hat's](#) Enterprise Linux Advanced Server; [SAP's](#) complete suite of ERP applications for educational purposes; [Hyperion's](#) Intelligence query system; and [Microsoft's](#) Windows, Exchange, SQL Server, SharePoint Portal, and Windows Media.

### **Next Steps**

Because the ASP model has been so successful, Drexel is currently moving forward with plans to provide IT hosting services to K-12 institutions.

### **Advice**

Perhaps the largest obstacle to a higher education ASP model, Drexel has found, is each college and university's perception that it is unique, and that IT must maintain control of critical assets and services. To address that, Bielec says, Drexel's model is straightforward: A menu of available services, along with a liberal customer contract termination clause, helps mitigate perceived risk, facilitates buy-in, and eliminates the need for complex service-level agreements. Bielec stresses that trust is a key ingredient in each agreement: Issues like lengthy contracts, service-level metrics, and penalty clauses can doom the relationship and increase costs.

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