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Drexel Deepens Its Impact

Philly's Technological University Creates Another National "First"

By Kathleen Goolsby

As the world increasingly becomes defined by technology, Drexel University (DU) is committed to driving innovation and being a leader in technological advancements. Drexel stays in the headlines, having created a number of nationwide "firsts." In November 2000, its 62-acre campus became the first major 100% wireless university in the U.S. Other "firsts" include distribution of speech recognition software to all students and staff, the nation's first online techno-MBA and an online affinity bank. DU students and faculty have access to an outstanding array of information technology (IT) resources and excellent support services.

Technology is DU's cornerstone, but innovation and quick response – being there first – is its differentiating factor, says Dr. John Bielec, Vice President, Office of Information Resources and Technology (IRT) at Drexel. However, unlike its other forays into IT excellence, DU's latest accomplishment was not planned. Bielec says it just sort of evolved. The result is that Drexel is now an IT services provider to other universities and colleges, giving those smaller schools a decidedly competitive edge.

Taking the Plunge

It started with a bankruptcy of eight hospitals and affiliated Allegheny University of the Health Sciences. Tenet Healthcare Corporation, which acquired the entities from the bankruptcy court in 1998, then formed MCP Hahnemann University (consisting of four schools, including the largest private school of medicine in the U.S.).

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Subsequently, Tenet approached DU to take over the operations of the newly formed university (MCPHU). Responding quickly to an opportunity to set a standard for medical education in the U.S., Drexel took the challenge.

Healthcare institutions today are weighed down with financial burdens, and their directors seek solutions. But the situation confronting the Drexel leadership in 1998 was drastic. Losses at \$1 million per day for the months prior to bankruptcy (\$90 million for the year) had left the school with no operating funds and barely any professors. The IT systems had been cobbled together and then suffered from inadequate maintenance and lack of upgrading.

DU adopted a three-tiered strategy for its new management challenges at MCPHU. Key to the strategy was building a new management information system in six months. They managed to do it in five months. 100% of MCPHU's administrative systems (finance, HR, payroll, student information, email, Web hosting, journal ledger purchasing) are now managed remotely from the Drexel campus. All of the MCP data processing requirements were transitioned from mainframe to client-server, and a state-of-the-art data and video network with a single point of contact linking MCPHU, DU and the Tenet Philadelphia hospital network was built. In addition, one of the MCP campuses is now wireless and another will be wireless by the end of September 2001.

So MCP Hahnemann University now has world-class information systems and services, but it has no equipment and staff of its own. The Drexel IT staff provides 24x7 support services to MCPHU. Basically, Drexel evolved into an application service provider (ASP) model for MCPHU. The DU IT staff, all of whom are professionals, consists of an administrative systems group, a networking and server group and an academic instructional technology support group.

Next on the radar screen was Cabrini College. Dr. Bielec recalls that other people in the Philadelphia area started noticing what was happening at MCPHU, and a few smaller colleges began inquiring how they could obtain Drexel's services so they could get out of

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the business of providing IT services to their campuses. Cabrini was the first of the smaller schools to form an outsourcing alliance with Drexel. For the past six months, DU has been migrating Cabrini's email, course management systems, Web hosting and other systems under the Drexel umbrella. They also are starting to work with Newman College.

DU's Cyber Services Model

Drexel didn't set out to create or market its new ASP services. But a viable and quickly growing business has been created in the academic niche because they were there first and had already invested in IT that could be leveraged for the benefit of other schools. What has evolved is a perfect solution for a lot of small schools. The larger university, which has a demand for services and funds for infrastructure, can provide that same equipment and level of performance to smaller institutions that don't have the resources to provide them.

Pennsylvania has hundreds of colleges and universities, many in the range of 2000-3000 students. Bielec explains that schools of that size typically have a staff of four or five people and 10-12 servers. They are reaching the point where IT has become integral and strategic to their daily business practices, but the IT has been piecemealed together. The executives at those institutions are now realizing their IT vulnerabilities and risks and see great value in the Drexel ASP model.

Although several academic institutions have, in the past, formed a consortium as a potential IT solution, those efforts have failed. "It's almost impossible to do because they have different cultures, different priorities," says Bielec. "It's easier to accomplish an effective solution in our model." And because the schools that buy the DU solution are buying the exact infrastructure and service that Drexel has on its own campus, the lack of customization enables a quick rollout of services.

The contracts are short-term, and the service level agreements specify the same level of performance that Drexel enjoys on its own campus. Meanwhile, the revenue Drexel is

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paid for its IT services is used to increase the robustness and capacity of the networks and servers at DU. “We’re actually building a much more robust environment now than we would have if we were just meeting our own needs,” says Bielec.

He credits their success to the University’s leadership. “Our President sets the environment and encourages innovation and minimal red tape. We are very quick in terms of coming to closure on lots of things here. This is a totally different atmosphere in terms of being able to think outside of the box, look at various initiatives, try them out and see what happens. We do a lot of pilots on proof of concept and minimal investments,” says Bielec.

Another reason for their quick success, he believes, is the credibility Drexel has with other schools. “They place a certain trust in our relationship,” Bielec explains. “Although they are customers, in a sense, we also have a peer-to-peer professional relationship. And that is one of the reasons why this model appeals to a smaller school. A small school is horrified at the thought of going through an outsourcer’s sales presentation, negotiating pricing strategies, contracts and service level agreements. With us, they don’t have to go through those things. With our model, they just have to try it out and see how they like it.”

Here’s betting more institutions will be trying it out!

Lessons from the Outsourcing Journal

- The ASP model presents a viable solution for academic and healthcare institutions to quickly obtain state-of-the-art technology and services for a minimal investment.
- Wireless capability is an example of a “tornado” technology that needs to be outsourced to avoid the expensive implementation process and ongoing maintenance as the technology evolves.

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- Moving from mainframe to client-server and seeking a reduction in operating costs for administrative systems are examples of “mainstream” technology that are best handled by outsourcing.
- Being there first and having the IT resources and expertise to leverage, is the starting point for developing a new outsourcing niche market.

