

Lost and Found

One of the most interesting opportunities that I have, as a leader of EDUCAUSE, is engaging with members of a diverse professional community. For me, a particularly intriguing honor is serving on the American Management Association's IT Advisory Council, a panel consisting chiefly of CIOs from Fortune 100 companies such as Disney, Sollectron, Time-Warner, and Allstate. These men and women oversee technical staff numbering in the thousands and annual budgets measuring in the hundreds of millions of dollars. After four meetings, I have now settled comfortably amid these captains of industry and have tuned my ear to their concerns. In my observations, I have also asked myself: Are CIOs from industry and academia cut from the same cloth? Are we pursuing similar goals in a similar fashion? My conclusion is that whereas industry CIOs—the people who assemble the infrastructure, build and support the applications, staff the help desks, and so forth—are most definitely members of the species *Homo technologicus*, they are definitely not members of the subspecies *academicus*.

Corporate CIOs worry dominantly about four issues: (1) expense reduction; (2) IT architecture; (3) the sourcing (or outsourcing) of talent, solutions, and technology; and (4) Sarbanes-Oxley compliance. In distant fifth place is IT governance, a concern that clearly does resonate with higher education CIOs. Frankly, my head ached from trying to reconcile the EDUCAUSE list of current issues with this focused (narrow?) set of corporate IT concerns. How could it be, I wondered, that professionals with the same basic training

and, arguably, the same basic charge could have such radically different priorities? I began to worry that perhaps the divergence of priorities indicated an irreconcilable divorce between the academy and the society it serves. Few of my academic colleagues have either the passion or the urgency for cost-cutting as do these corporate mavens. And accountability? This group of corporate CIOs report spending 10–25 percent of their professional time with Sarbanes-Oxley compliance.

I was befuddled. I was lost.

Not too long ago, I met with my colleagues Bob Kvavik and Phil Goldstein to review the data from the new ECAR study of IT investment and business process performance. We were all perplexed and chagrined by the data suggesting that our community judged many higher education business processes to be “adequate, at best.” In many cases, “adequate” was almost a compliment. The academic CIOs seemed to be saying: “Implement the ERP, accept the inherent processes if you must, and move on.” By contrast, my industry colleagues talk about standardizing “best practice” processes and striving to render such best practices into software so that these processes can (when nonstrategic) be commoditized and then outsourced. They would say: “Find the best practice, emulate it, codify it, and make it cheap.”

As we discussed this, Bob, Phil, and I struggled to understand the seemingly irrational behavior of higher education decision-makers. After an uncomfortable silence, Bob looked up and said, “They’re satisficing.” “Of course!” Phil and I agreed. In 1957, the future Nobel laureate Herbert Simon broke with classical economists and argued that decision-makers in envi-

ronments with limited information (“bounded rationality”—surely he was describing higher education) did *not* look for optimal solutions. Instead, Simon predicted (and the ECAR data have confirmed), decision-makers will consciously relax their rationality and settle for solutions that are “good enough,” in the belief that better solutions would have to justify the extra costs carried in finding them. Simon called this behavior *satisficing*.

Having spent much time in my career scrambling to explain to board members, legislators, parents, corporate partners, and others why higher education doesn’t act “like a business,” it suddenly occurred to me that higher education *does* act like a business. A business whose mission is discovery, learning, and engagement! Such a business does not derive sustainable advantage from effectively managing its supply chain; instead, it puts effort and resources into particle detectors, telescopes, and libraries.

As the Gospel goes: I was lost, but now I am found.

Simon’s work on administrative decision-making should be required reading for all of us working in higher education. Once we understand that we are all satisficing, we can proceed guiltlessly! On the other hand, could it be that over time, our corporate counterparts will operate state-of-the-art processes *more cheaply* than we can operate processes that are just “good enough”? Then what? For how long will “good enough” be good enough?

Am I lost again?

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