

IT Outsourcing Survey Questionnaire

I. Organization

1. Please describe how the IT function is organized at your university.

1a ___ centralized for the entire institution

1b ___ decentralized by school, or other administrative unit

1c ___ mixed

2. Who decides which IT functions to outsource? _____

3. To what extent can schools and other units make IT outsourcing decisions independently? (Check one)

3a Not at all _____

3b To some extent _____

3c To a great extent _____

3d Complete authority _____

4. To what extent does state government influence decisions about IT outsourcing? (Check one)

4a Not at all _____

4b Moderately _____

4c Completely _____

5. To what extent do collective bargaining units influence IT outsourcing decisions? (check one)

5a Not at all _____

5b Moderately _____

5c Completely _____

6. Please describe how the IT function is organized at your university

Comment: _____

7. Who organizes the RFP, bidding and selection processes?

8. Who authorizes procurement? _____

9. Are you part of a consortium, or other technical shared-services arrangement with other colleges or universities? (check one)

9a Yes _____

9b No _____

9c Comment: _____

II. Experience with Commercial IT Outsourcing and/or Consortial Shared Services

10. Are you currently outsourcing any IT functions?

◆ If no, please proceed to Question 28 **[SKIP]**.

◆ If yes, indicate your experience below with a checkmark in the appropriate box in the table below:

Q #	Type of Function	Vendor Category			Name of Vendor	Name of Consortium
		Systems Integrator	ASP	Other		
10a	IT Infrastructure					
10b	Application Mgmt					
10c	Application Services					
10d	Distributed Systems <i>(including desktop and wireless)</i>					
10e	Network Services					
10f	Business Process Outsourcing					
10g	Processing Services <i>[utility transaction processing; financial, HR, registration, scheduling, other]</i>					
10h	E-Learning, distance-learning services					
10i	Other					

10j. Comment: _____

11. At what level do you outsource? (check one)

11a Enterprise [universitywide]_____

11b School or department_____

11c Specific program_____

11d Comment:_____

III. Vendor Selection and Evaluation

12. How were your current vendors selected?_____

12a sole-sourced?_____

12b selected through a competitive bidding process?_____

13. On a 1-5 scale, with 5 being "very important," please rank the criteria that you used to select your most important outsourcing vendor?

13a Demonstrated prior experience in outsourcing overall_____

13b Specific prior experience in higher education_____

13c Price_____

13d Capabilities_____

13e Reputation_____

13f Other_____ (please specify)_____

14. How satisfied are you with your current outsourcing vendor? (Please rate the vendor on a scale of 1-5, 1=highly dissatisfied; 5=highly satisfied)_____

14a Comment:_____

15. What problems, issues, set-backs, or unexpected developments (if any) have you encountered with your outsourcing experience? (Please check all those that apply)

15a ___ Project went overbudget.

15b ___ Project implementation took substantially longer than anticipated.

15c ___ Vendors didn't fulfill their promises.

15d ___ Resistance from collective bargaining units.

15e ___ Technical problems made it impossible to meet our performance expectations.

15f ___ Vendor was insufficiently familiar with the specialized needs of higher education.

15g ___ Our process for outsourcing contract bidding, selection and evaluation was flawed.

15h ___ Lack of cooperation among internal organizational units compromised the achievement of our initial goals.

16a. Do you anticipate switching outsourcing vendors? Yes/No

16b. Do you anticipate in-sourcing any functions currently being outsourced? Yes/No

16c. Do you anticipate outsourcing additional functions to the current vendor? Yes/No

16d. Do you anticipate outsourcing additional functions to other vendors? Yes/No

17. What are the primary reasons why you outsource?

17a Cost-savings_____

17b Operating efficiencies_____

17c Lack of in-house skills and/or technology_____

17d Access to innovative services_____

17e Other (please describe)_____

17f Comment:_____

18. At what levels do you outsource? Comment: _____

19. Please rank the reasons for your satisfaction/dissatisfaction (1=highly dissatisfied; 5=highly satisfied)

19a _____ Cost

19b _____ Reliability

19c _____ Customer service and project management skills

19d _____ Performance against negotiated SLA

19e _____ Integration with back-office system

19f _____ Flexibility

19g _____ Security

19h _____ Other _____

19i Comment: _____

IV. Spending on Outsourcing

20. Please describe (by type and term) the contract values of projects already negotiated and allocate your spending according to the following categories. Rough estimates in thousands of dollars, or percentage allocations of your total spending, are sufficient.

(Alternatively, you may refer us to a colleague who is better able to answer these questions fully:

20a Name: _____

20b Tel: _____

21. Has there been additional spending on IT outsourcing-related professional services (special consultants employed on a time & materials basis to customize, integrate, or solve other special IT problems)? Please specify:

21a. Type of service) _____

21b. Estimated amount spent annually (\$K) _____

21c No additional spending. _____

21d Comment: _____

22. Please indicate how much your university spent on the following outsourcing services in 2001.

	Function	Approx. \$K Spent in 2001, or % Allocation of Total Spend for IT Outsourcing
22a.	IT Infrastructure	
22b.	Application Mgmt	
22c.	Distributed Systems <i>(including desktop and wireless)</i>	
22d.	Network Services	
22e.	Business Process Outsourcing	
22f.	Processing Services <i>[utility transaction processing; financial, HR, registration, scheduling, other]</i>	
22g.	E-Learning, distance-learning services	
22h.	Other	
22i.	Application Services	
	Total \$K, or 100%	

V. Issues and Trends

23. If you are not currently outsourcing, please identify the primary reason:

- 23a. Brought the function in-house_____
- 23b. Discontinued function_____
- 23c. Problems or dissatisfaction with outsourcing vendor_____
- 23d. In-house staff has been adequate to cover our requirements_____
- 23e. Collective bargaining agreements_____
- 23f. Poor cost/benefit ratio_____
- 23g. Inability to find vendor with sufficient experience in higher education_____
- 23h. Other_____
- 23i. Comment:_____

24a. How long did the transition/implementation take (including staff/equip transfer)?

- ◆ ___ Less than three months
 - ◆ ___ 3-6 months
 - ◆ ___ 6-12 months
 - ◆ ___ Over 12 months
 - ◆ ___ Implementation is still not complete.
- 24b. What was the process? *(Please check all those that apply)*
- ◆ ___ We used a consultant to assist with project implementation.
 - ◆ ___ We transferred staff and/or equipment to the outsourcers under the agreement.
 - ◆ ___ We changed the Service Level Agreement frequently after the contract was signed.

25. What obstacles, or problems, did you encounter?

- 25a ___ Collective bargaining units
- 25b ___ Budget overruns
- 25c ___ Employee concerns
- 25d ___ Insufficient planning prior to putting the project out to bid
- 25e Comment:_____

26. For one outsourcing project, please describe you implementation process:

VI. Perceptions of Outsourcing

27. Where do you see the most significant benefits from IT outsourcing to your institution?

- 27a ___ Cost-savings
- 27b ___ IT staff reduction or redeployment
- 27c ___ Streamlined operations
- 27d ___ Lower risk from technology obsolescence, skills shortages and related problems
- 27e ___ Better functionality
- 27f ___ Access to superior technical solutions

28. How familiar are you with ASP vendors and their capabilities? *(Please refer to definitions provided at the beginning of this survey questionnaire.)*

- 28a Very familiar
 28b Moderately familiar
 28c Not familiar at all

29. Please check all of the following that apply to your experience:

- 29a We did NOT sign a contract with an ASP because we were not familiar with the model.
 29b We did NOT sign a contract with an ASP, even though we were familiar with the model.
 29c We DID sign a contract with an ASP.

30. If you are familiar, please describe your ASP experience. *(Check all those that apply.)*

- 30a Better than expected
 30b As expected
 30c Worse than expected
 30d In retrospect, we shouldn't have used an ASP.
 30e In retrospect, using an ASP was appropriate, but we chose the wrong vendor.
 30f The ASP solution was too limiting.
 30g The ASP solution was too ill-defined to be effective.
 30h In the end, we needed much more customization than we had expected.
 30i If we could start over, we would use a full-service outsourcing vendor.
 30j Other: _____
 30k Comment: _____

31. In your opinion, what functions are most suitable for outsourcing in higher education? *(Check all those that apply.)*

- 31a Help desk
 31b Network operations
 31c Applications development and/or management
 31d Infrastructure (data center) operations
 31e Distributed Systems (desktop, wireless devices, other portable)
 31f Network Services
 31f Business Process Operations
 31g Processing Services (e.g., transaction processing for data, credit card, scheduling, registration, other financial, etc.)
 31h E-learning and distance learning programs

32. If possible, please identify other significant IT outsourcing projects in higher education and key contacts for these initiatives:

- 32a Successful _____ 30b Contact _____
 32c Attempted _____ 30d Contact _____
 32e Innovative _____ 30f Contact _____
 32g Others: _____

33. Please indicate below if you are willing to be interviewed about your own IT outsourcing experiences, or are willing to refer INPUT to colleagues at your institution who might be able to provide detailed information about these projects/contracts—including the individuals names above.

- 33a You may contact me (yes/no) _____

34. Please indicate if you are part of a consortium, or use a vendor to deliver the following services.

	Function	Vendor	Consortium
34a.	IT Infrastructure		
34b.	Application Management		
34c.	Distributed Systems <i>(including desktop and wireless)</i>		
34d.	Network Services		
34e.	Business Process Outsourcing		
34f.	Processing Services <i>[utility transaction processing; financial, HR, registration, scheduling, other]</i>		
34g.	E-Learning, distance-learning services		
34h.	Other		
34i.	Application Services		

35. Please indicate how much you spent on the following outsourcing services between 1999-2000, and before 1999.

	Function	\$K Spent, 1999-2000, or % Allocation of Total Spend for IT Outsourcing	Approx. Cumulative \$K Spent, or % Allocation, Before 1999
35a.	IT Infrastructure		
35b.	Application Mgmt		
35c.	Distributed Systems <i>(including desktop and wireless)</i>		
35d.	Network Services		
35e.	Business Process Outsourcing		
35f.	Processing Services <i>[utility transaction processing; financial, HR, registration, scheduling, other]</i>		
35g.	E-Learning, distance-learning services		
35h.	Other		
35i.	Application Services		
	Total \$K, or 100%		

36. Approximately how much do you expect to spend on IT outsourcing over the next twelve months, and over the next five years?

Function	Over the next twelve months (\$K)	Over the next five years (\$K)
36a. IT Infrastructure		
36b. Application Management		
36c. Distributed Systems (<i>including desktop and wireless</i>)		
36d. Network Services		
36e. Business Process Outsourcing		
36f. Processing Services [<i>utility transaction processing; financial, HR, registration, scheduling, other</i>]		
36g. E-Learning, distance-learning services		
36h. Other		
36i. Application Services		

36j Comment: _____

37a. How much do you expect to spend on outsourcing total? _____

37b. Comment: _____

38. Please indicate the service/function outsourced _____

39. Please indicate whether your answers are in dollars or percent _____

Again, thank you for your time and consideration. As promised, at the completion of this survey research, we will send you an Executive Summary of our research findings.

Survey Respondent Identification

Organization

1. Please describe your company (check all items that apply):
- 1a Private
 - 1b Public
 - 1c For profit
 - 1d Nonprofit
 - 1e Small (under 100 employees)
 - 1f Medium size (100- 9,999 employees)
 - 1g Large (10,000 + employees)
 - 1h International
 - 1i National
 - 1j Regional

I. Outsourcing Experience

2. For how many years have you been active in providing IT outsourcing services?
- 2a less than five years
 - 2b more than five years
 - 2c more than ten years
3. In which vertical industries are you most active? (Please check all those that apply)
- 3a Banking & Finance
 - 3b Business Services
 - 3c Discrete Manufacturing
 - 3d Education
 - 3e Federal Government
 - 3f Health Services
 - 3g Insurance
 - 3h Miscellaneous Industries
 - 3i Process Manufacturing
 - 3j Retail Distribution
 - 3k State & Local Government

- 3l Telecommunications_____
- 3m Transportation_____
- 3n Utilities_____
- 3o Wholesale Distribution_____

4. Are you active in outsourcing to the higher education market?

If yes, for how many years?

- 4a _____ less than five years
- 4b _____ more than five years
- 4c _____ more than ten years
- 4d If no, why not?_____

If your organization is not an active outsourcer to the higher education market, skip to Question #21

5. In which geographical markets do you offer outsourcing?

- 5a U.S. market *(yes/no)*
- 5a-1 If yes, are you active in the government market (federal or state & local)? *(yes/no)*
- 5b Canadian market *(yes/no)*
- 5b-1 f yes, are you active in the government market (federal or state & local)? *(yes/no)*
- 5c International markets *(yes/no)*
- 5c-1 If yes, are you active in the government market (national or local)? *(yes/no)*

6. What type of outsourcing services do you provide? *(Please check each category that apply in the grid below.)*

Q #	Type of Function	Vendor Category		
		Systems Integrator	ASP	Other
6a	IT Infrastructure			
6b	Application Mgmt			
6c	Application Services			
6d	Distributed Systems <i>(including desktop and wireless)</i>			
6e	Network Services			
6f	Business Process Outsourcing			
6g	Processing Services <i>[utility transaction processing; financial, HR, registration, scheduling, other]</i>			
6h	E-Learning, distance-learning services			
6i	Other			

7. Which companies in the following categories do you consider to be your major competitors in the higher education outsourcing market?

- 7a ASPs _____
- 7b System Integrators _____
- 7c Professional Services consultants _____
- 7d Other _____

II. Revenues

8. What were your total revenues in the last calendar or fiscal year?

- 8a CA 2000 _____
- 8b FY 2001 _____

9. What portion of your total annual revenues is generated by outsourcing?

- 9a Less than 5% _____
- 9b From 6-25% _____
- 9c From 26-50% _____
- 9d From 51-75% _____
- 9e More than 75% _____

10. What proportion of your total revenue represents outsourcing to higher education in the U.S. and/or Canada?

- 10a Less than 5% _____
- 10b From 6-25% _____
- 10c From 26-50% _____
- 10d From 51-75% _____
- 10e More than 75% _____

10f Of your total revenues from the North American market from outsourcing to higher education, what percentage does Canada represent? _____

11. What percentage of your total revenues do you expect to earn from each of the following types of outsourcing services over the next five years?

Function	Percentage Distribution of Total Revenues	
	At year-end 2001	At year-end 2006
11a IT Infrastructure		
11b Application Mgmt		
11c Application Services		
11d Distributed Systems (including desktop and wireless)		
11e Network Services		
11f Business Process Outsourcing		
11g Processing Services [utility transaction processing; financial, HR, registration, scheduling, other]		
11h E-Learning, distance-learning services		
11i Other		

III. Experience With Higher Education

12. Have most of your outsourcing contracts to higher education been sole-sourced or won competitive bidding?

12a Sole-sourced (yes/no)

12b Competitive bidding? (yes/no)

13. What problems, issues, setbacks, or unexpected developments (if any) have you encountered in your experience of providing outsourcing services to higher education institutions? *(Please check all those that apply)*

13a Project went overbudget.

13b Project implementation took substantially longer than anticipated.

13c Client didn't fulfill its promises for cooperation.

13d Resistance from collective bargaining units was unexpectedly stiff.

13e Technical problems made it impossible to meet our performance expectations.

13f Client was insufficiently familiar with the technical aspects of IT outsourcing.

13g Client's process for outsourcing contract bidding, selection and evaluation was flawed.

13h Lack of cooperation among internal client organizational units compromised the achievement of our initial goals.

13i Resistance from collective bargaining units

14. Please identify particularly important, successful or otherwise significant outsourcing projects in higher education and, if possible, locations and key contacts for them:

14a Successful _____

14b Contact name _____

14c Location? _____

14d Contact telephone number _____

14e Contact e-mail address _____

14f Unsuccessful _____

14g Contact name _____

14h Location? _____

14i Contact telephone number _____

14j Contact e-mail address _____

14k Innovative _____

14l Contact name _____

14m Location? _____

14n Contact telephone number _____

14o Contact e-mail address _____

15. In your view, what are the primary reasons that motivate universities to outsource? Please rank these criteria on a 1-5 scale (1=Very important; 5=Unimportant)

15a Cost-savings _____

15b Operating efficiencies _____

15c Lack of in-house skills and/or technology _____

15d Access to innovative services _____

15e Other (please describe) _____

15f Comment: _____

- 16.** In your opinion, how important are the following concerns to universities about outsourcing? Please rank these criteria on a 1-5 scale (1=Very important; 5=Unimportant).
- 16a Loss of control_____
- 16b Internal political/organizational issues_____
- 16c Cost_____
- 16d Vendor performance_____
- 16e Unfamiliarity of vendors with the specific needs of universities_____
- 16f Collective bargaining units_____
- 16g Other_____
- 17** On a 1-5 scale, with 5 being "very important," please rank the criteria that universities typically use to select an outsourcing vendor?
- 17a Demonstrated prior experience in outsourcing overall_____
- 17b Specific prior experience in higher education_____
- 17c Price_____
- 17d Capabilities_____
- 17e Reputation_____
- 17f Other_____ (please specify)_____
- 18.** In your experience, which criteria do universities apply most commonly in the evaluation of an outsourcing vendor's performance. Please rank these criteria on a 1-5 scale (1=always applied; 5=almost never applied).
- 18a ___ Cost control
- 18b ___ Reliability
- 18c ___ Customer service and project management skills
- 18d ___ Performance against negotiated SLA
- 18e ___ Integration with back-office system
- 18f ___ Flexibility
- 18g ___ Security
- 18h ___ Financial viability
- 18i ___ Other_____
- 19.** Please describe your experience in implementing outsourcing contracts for clients in higher education:
- 19a How long does the transition/implementation usually take?_____
- 19b What is the typical implementation process?

- 19c What obstacles, or problems, are you most likely to encounter? (e.g., budget overruns, organizational, staffing, other)_____
- 20.** To what extent do collective bargaining units influence outsourcing decisions? (check one)
- 20a Not at all_____
- 20b Moderately_____
- 20c Completely_____

IV. Perceptions of the Higher Education Outsourcing Market

21. Where do you see as the most significant benefits from IT outsourcing to higher education? *(Please rank on a 1-5 scale, 5=Very significant; 1=Insignificant)*

- 21a Lower costs_____
- 21b Lower headcount_____
- 21c Supply technical skills that are otherwise unavailable_____
- 21d Supply functions that are unavailable from internal resources_____
- 21e Greater flexibility in terms of operations, planning and budgeting_____
- 21e Lower technology risk_____

22. How quickly are universities adopting outsourcing? *(check two from the list below)*

- 22a Much less rapidly than commercial clients_____
- 22b Much less rapidly than government clients_____
- 22c About as rapidly as commercial clients_____
- 22d About as rapidly as government clients_____
- 22e More rapidly than commercial clients_____
- 22f More rapidly than government clients_____
- 22g Much more rapidly than commercial clients_____
- 22g Much more rapidly than government clients_____

23. Is the higher education market more, or less, attractive to you than other industries, or industry segments? *(Check one)*

- 23a More attractive_____
- 23b Less attractive_____
- 23c Of equal attractiveness_____

24. How do outsourcing decision-makers compare to those in government, or other vertical industries? *(yes/no)*

- 24a They are less technically sophisticated. _____
- 24b They are more technically sophisticated. _____
- 24c They are easier to do business with. _____
- 24d They are more difficult to do business with. _____
- 24e They tend to lengthen the sales cycle. _____
- 24f They tend to shorten the sales cycle. _____
- 24g They often lack sufficient authority to close a deal in a timely way. _____
- 24h Typically, they do have sufficient authority to close a deal in a timely way. _____

25. In your opinion, which of the following functions are most suitable for outsourcing in higher education? Please rank each category on a 1-5 scale, 5=Very suitable; 1=Very unsuitable.

	Function	Ranking
25a	IT Infrastructure	
25b	Application Mgmt	
25c	Application Services	
25d	Distributed Systems (including desktop and wireless)	
25e	Network Services	
25f	Business Process Outsourcing	
25g	Processing Services [utility transaction processing; financial, HR, registration, scheduling, other]	
25h	E-Learning, distance-learning services	
25i	Other	

V. Outlook for the Future

26. What are the most significant obstacles to the further expansion of outsourcing in higher education? (Please rank on 1-5 scale, 5=Very significant; 1=Insignificant)

- 26a Lack of understanding of the benefits of outsourcing. _____
- 26b Sufficient capability in-house to handle current IT workload. _____
- 26c Inability of vendors to meet the specialized requirements of the higher education market. _____
- 26d Organizational obstacles at universities. _____
- 26e Insufficient cost/benefit ratios from the point of view of universities. _____
- 26f Insufficient cost/benefit ratio from the point of view of outsourcing vendors. _____
- 26g Influence of collective bargaining units _____
- 26h Comment _____

27. Over the next five years, what level of penetration by outsourcing in some form do you foresee in this market? (Check one)

- 27a Less than 10% of all institutions _____
- 27b From 11-25% of all institutions _____
- 27c From 26-50% of all institutions _____
- 27d Over 50% of all institutions _____

28. Do you expect universities to find the ASP model more, or less, attractive over the next five years? (check one)

- 28a More attractive _____
- 28b Less attractive _____

29. What are the most significant obstacles to the further expansion of the ASP model in higher education?
(Please rank on 1-5 scale, 5=Very significant; 1=Insignificant)

- 29a Lack of understanding of the benefits of the ASP alternative. _____
- 29b Fears regarding the ability of the ASP to fulfill its commitments. _____
- 29c Fears regarding the financial viability of the ASP. _____
- 29d Inability of ASPs to meet the specialized requirements of the higher education market. _____
- 29e Organizational obstacles at universities. _____
- 29f Insufficient cost/benefit ratio from the point of view of universities. _____
- 29g Insufficient profitability from the point of view of outsourcing vendors. _____
- 29h Other _____
- 29i Comment _____

30. Do you anticipate offering additional outsourcing services to institutions involved in higher education?
(yes/no) _____

30a If yes, please describe these new services and their launch timing.

30b If no, please indicate the obstacles that are preventing you from expanding your service offer.

Again, thank you for your time and consideration. We will send you a copy of the Executive Summary of the final report based on this survey.