UC Santa Cruz was pleased to have Gartner Inc. as a partner in Phase II of the IT Transformation Program. Gartner’s process and perspective informed our evaluation to consolidate information technology, especially in the areas of server infrastructure, workstation support, and HelpDesk.

This document is intended as a companion to the final report provided by Gartner. It contains the context in which Gartner’s recommendations will be considered.

Critical Assumptions and Risks

For workstation support and HelpDesk, Gartner identified approximately $2.03MM that may be available from consolidation of workstation support and HelpDesk environments and $0.27MM for server consolidation. It is important to understand the critical assumptions that go along with realizing these cost reductions.

Several assumptions are based on a campus-wide inclusion of all IT resources:

- **All workstation support and HelpDesk FTE are included.** Reduced FTE requirements and more efficient support operations comprised the cost reduction opportunities in the workstation support and HelpDesk areas. Gartner’s analysis included all the staff that provide these services including those supporting research. Removing these staff from the analysis could correspondingly reduce the overall savings.

- **Central IT would manage and own all software and hardware.** Gartner included the costs of desktops, laptops, servers, printers, etc. in their analysis.

Other assumptions relate to campus principles around employment and staffing of the IT service delivery model:

- **A portion of the cost reductions are FTE, and to be realized could require layoffs.** Gartner identified campus principles of preserved employment to the extent possible, but also indicated that “realizing any net reductions in total IT costs to the campus will require a reduction in headcount.”

- **Staffing the consolidated IT organization includes constraints around positions and personnel changes.** Gartner supports our proposed service delivery model and organizational approach and recognizes the overall constraint of working within a closed system:
  
  “Absent a staff reduction strategy, UCSC will most likely redeploy existing IT staff in the central and distributed organizations into new strategic roles defined by the new Service Delivery Model.”

Some assumptions impact the potential magnitude of cost-reductions:

- **The current investment in server support is already below our peers.** Server consolidation was much smaller than workstation support and HelpDesk due to “the current under-staffing situation, inadequate service levels, lower university hardware costs, and relatively small quantity of servers (approximately 550)”.

- **The heterogeneous computing environment at UC Santa Cruz is nonetheless dominated by Dell and Apple.** With over 80% of desktops from
Dell and Apple combined, Gartner noted that UC Santa Cruz would not realize significant Total Cost of Ownership (TCO) benefits in eliminating one or more platforms. They noted instead that improvements could result from less versions and releases of hardware and software and improved manageability.

Finally, Gartner identified the risks to our longer-term potential with a view on short-term cost reductions:

- **Server management would remain at the current uneven and in some cases inadequate levels.** Gartner noted an under-staffing of server support with uneven and inadequate service levels across a small number of servers. They indicate that security and recoverability are lacking. Gartner identified the opportunity in server consolidation to be improved uptime, manageability, and serviceability with improved security and recoverability requiring additional investment by UC Santa Cruz.

- **Long-term infrastructure needs for short- and long-term business requirements may continue unaddressed.** Gartner noted a lack of consistent investments in centralized IT infrastructure and services. They further recommended that UC Santa Cruz invest in its centralized infrastructure in order to properly address its short and long term business requirements and drivers.

**Benefits of IT Transformation**

Early in the engagement, Gartner worked with UC Santa Cruz to frame the expected benefits of the new IT services delivery model as a framework for the IT Transformation:

1. Consistency and predictability in customer service levels by service category
2. Improved IT alignment and value
3. Better IT cost management
4. Improved risk management
5. A dynamic, learning IT organization
6. Creation of infrastructure/capacity for new strategic capabilities

There is agreement on the benefits that Gartner identified and that IT Transformation is worth pursuing to achieve them. Regardless of the cost-reductions, the IT Transformation offers other advantages which directly relate to the campus goals and mission.

**Conclusion**

IT will create efficiencies, and to the extent that UC Santa Cruz satisfies the critical assumptions, IT can work towards the cost-reduction goals outlined by Gartner. The campus faces the choices about whether to apply efficiencies towards the strategic benefits identified by Gartner or realize the cost reductions. This is fundamentally a decision to redeploy or reduce staff and is one of the most important issues facing the campus.
Appendix A, The Role of IT in Higher Education

IT Transformation is one of multiple projects under the Executive Budget Committee that are “designed to position the campus for growth and development, to improve its processes and services, and to avoid unnecessary costs.” As well as a transformation project unto itself, IT is a vital partner to EBC efforts in developing creative and innovative ways to meet these challenges.

One should look to the long-term benefits from IT Transformation within the context of UC Santa Cruz and its goals or mission. Improved IT alignment and value can relate to campus goals such as increased graduate enrollment. A dynamic, learning IT organization can support varying approaches to instructional technologies for teaching and learning. Creation of infrastructure and capacity can manifest as critical research support like cluster centers for Engineering and Physical & Biological Sciences. IT is not an end unto itself; it is an enabler and a strategic partner to the campus.

Higher Education IT Challenges

A balance between short-term gains and longer-term potential is not unique to UC Santa Cruz. Many other higher-education institutions face similar challenges in funding IT and building the necessary IT infrastructure to support teaching, learning and research. The top 10 IT issues identified through a 2004 EDUCAUSE survey are:

1. Funding IT
2. Administrative / ERP / Information Systems
3. Security and Identity Management
4. Strategic Planning for IT
5. Faculty Development, Support, and Training
6. Infrastructure Management for IT
7. E-learning / Distributed Teaching and Learning
8. (tie) Web Services / Web-Based Systems
9. (tie) Enterprise-Level Portals
10. (tie) Business Continuity / Disaster Recovery
11. (tie) Governance, Organization, and Leadership for IT

Of note is how few of these issues relate directly to teaching, learning and research. Richard Katz, in his article “Elephants in the Room” provides a view on how internal and external pressures hinder higher education’s potential at exactly the same time when “advances in computing and communications will enable genuine breakthroughs in learning and instruction.” The conundrum he identifies as the center of this is that

“1) The IT costs for teaching and learning must and should overtake the IT costs for “administering” the institution; 2) the IT costs of administration are not likely to go down; and 3) total revenues for higher education (on the whole) are not likely to rise.”

1 From http://planning.ucsc.edu/ebc/ See this website for more information on the Executive Budget Committee and the transformation projects.
2 From http://www.educause.edu/apps/er/erm04/erm0430.asp.
The National Research Council’s 2002 report PREPARING FOR THE REVOLUTION: Information Technology and the Future of the Research University states that:

“The ultimate goal is to expand and strengthen the research university’s intellectual resources and institutional infrastructure not only to manage the anticipated [information technology] transformation but to lead it.”

**IT at UC Santa Cruz**

UC Santa Cruz joins many other research and higher-education institutions in facing short-term challenges which include a number of fundamental or infrastructure issues. Through IT Transformation, UC Santa Cruz is reshaping the higher education culture that Richard Katz identifies as against rationalizing or centralizing IT. Next UC Santa Cruz must move past our deficiencies in IT costs of “administering” the institution in order to fully face the longer-term information technology revolution in research, learning and instruction where our focus should lie.