stamp report

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REALISM | INSIGHT | OBJECTIVITY

Managing the experience?

How outsourcing is driving changes in stakeholder experience

As organisations develop and become more complex, it becomes ever more difficult to manage the organisation's complete portfolio of activities, services and interests.

Like many private and pubic sector organisations before them, educational institutions have turned increasingly to ways to run operations more effectively and outsourcing has become the norm rather than the exception. A recent study of outsourced facilities and service offers at universities in the UK has illustrated how the opportunities and risks associated with outsourcing are changing as the higher education market develops.

AN INCREASING RANGE...

Opportunities for outsourcing in higher education range from the fundamentals that **"make the world turn"**, such as cleaning, catering, IT, printing support, security and payroll management, to the longer-term and increasingly complex, including T and L provision (especially for specific portfolio streams), through to accommodation and overseas student recruitment agents.

Outsourcing providers can deliver real positives, including the **"off-load"** of tasks or stakeholder-facing services to specialists with greater specialist expertise and who are better resourced, in terms of scale of operations, to manage key processes. This allows institutions to benefit from tailor-made services which are plugged into (but often managed completely separately from) the wider organisational administration. This, in turn, can reduce institutional overheads, staffing costs etc, and so keep expenditure relatively low for both the institution and the **"end users"** of the products or services offered.

MANAGING RISK

Outsourcing has always figured in risk assessment processes: after all, the delivery (or not) of services to an appropriate standard can affect how an institution is represented and perceived in its markets.

Among the critical issues for the commissioning of outsourced operations are:

- Business competency
- Sustainability of service
- Track record

...plus many other factors.

However, the elements that will (or will not) **"make it work"** pivot on, for example:

- A commitment to work in partnership
- Alignment with the institution's values
- Synergy of purpose
- Focus on the consumer
- Effective communication and contact with the commissioning organisation

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THE "SHARED COMMITMENT" MODEL

The critical factor that emerges from the recent study is a **"three-way"** model of trust and commitment that must exist between outsourcer, commissioning organisation and the **"end user"** of the services. I.e. the outsourcer must be as equally committed to providing the best possible service to the end user (staff students etc) as is the commissioning organisation. However, it must also want to deliver effectively to the commissioning institution (as a consumer of its services). This independency of purpose, focus on the consumer and commitment to shared objectives emerges as the make-or-break issue for successful outsourcing, time and time again.

THE CHANGING PATTERN

Over the last decade, the most significant changes in the outsourcing pattern have been centred on T and L provision (for example, relating to law and other programmes) plus student accommodation.

The market shift to watch, however, is the fact that as outsourcing has increased in relative terms, so has the imperative for educational institutions to be measured in terms of the experience that they deliver to stakeholders.

THE CRITICAL ISSUE, HERE, IS STUDENT EXPERIENCE.

The main factors are the outsourcing of T and L and student accommodation. This can work both positively and negatively for higher education organisations, as the study of outsourced facilities and service offers has illustrated.

DISCORD IN STANDARDS

It is definitely not the case that outsourcing, by default, means **"lower quality"**. In many instances (but not all) the stakeholder experience of outsourced T and L benefited directly from factors such as low levels of **"organisational bureaucracy"**, which exerted a broad scale **"streamlining"** effect on many areas of student experience. A wide range of factors were affected positively; for example, from application and enrolment through to, in some cases, teaching venues, staff-student ratios and the speed and efficacy of in-programme assessment.

Ironically, the real problems for some stakeholders came when they progressed to the **"parent"** organisation and found that standards differed across a wide range of parameters. Similarly, outsourced accommodation presents opportunities and risks for organisations.

Some specialist providers are able to offer tailor made and extremely well maintained, well located and well appointed student accommodation, on behalf of higher education organisations. Problems can arise from the simple fact that residents may be **"beyond the reach"** of the usual rules and regulations of institutional accommodation which can exert a forceful and positive influence to encourage students to behave appropriately and be courteous to other residents. Any problems with behavioural issues could cascade to affect a larger number of residents, for example, and so damage the generic student experience within a specific location.

THE FUTURE... WHAT ARE THE CONCERNS FOR THE FUTURE?

There are a number, especially in an era of league tables and measurement. As the NSS increasingly commands the attention of the media and potential students and advisers, it is apparent that institutions, year on year, incrementally relinquish some level of control (however small) over operations that are significant to:

- Delivery on their brand or reputational **"promise".**
- Their core values.
- Their ability to deliver a competitive stakeholder experience for students or staff.

THE PREDICTION?

That education organisations will need to manage their relationships and agree their ultimate, mutual objectives with outsourcers more effectively in the future if they are to ensure that the stakeholder experience they promise is both deliverable and within their control.

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