SAFE PC EDTECH



EDUCATION'S FIGHT AGAINST ECONOMIES OF SCALE

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K-12 schools have a problem with technology that can actually keep them from fully supporting their educational mission. The problem regards the reality of economies of scale in the cost of developing an IT infrastructure.

What are economies of scale? Let's look at how it occurs in the business world. As you begin producing more units of a product or service, the costs of the input needed to create that product or service drop. It is why big companies offer each unit at a lower rate. Small firms face particular problems with this issue when it comes to technology. Consider a small firm that needs its technology to be available 24/7. Ideally, the firm requires an in-house IT person available during all of those hours. That means three full time employees with salary and benefits. If the firm has very few clients, those labor costs would be unaffordable, and the employee would spend a lot of time with nothing to do. If something happens without onsite support, you lose customers and could fail. However, if the firm's client base grew to the 1000's, the FT labor cost per client or unit would drop to a manageable and sustainable level. The same is true for schools. Their smaller size and limited budgets mean that they just cannot justify the cost of a fully supported IT infrastructure and staff. Unless it is a massive campus, the cost per student is just too high.

This e-guide discusses three areas where economies of scale may be hurting your ability to use technology in your educational institution. If you don't understand how you're being limited, you can't recognize how to fix the problem.

1. **Hardware is tiered -** One of the frustrations about scaling up as student population increases or usage increases is that

hardware can't be scaled up in a smooth line. Instead, you have to add new hardware in discrete increments. So, if your server can handle a maximum of 200 students, when you get student number 201 you have to buy an additional piece of hardware and space for 199 students will now be sitting empty. Also, hardware is an expensive capex issue that is difficult for your budget to absorb.

2. **24/7 Support -** Most technology infrastructure needs to run 24/7. The cost of hiring in-house support 24/7 just on the "chance" something might go wrong cannot be justified. As a result, institutions are vulnerable to a complete shutdown of operation in the event of a hardware, software, or utility failure. They have to hope nothing goes wrong during the off hours. It is only when an institution is quite large that it can afford the tremendous labor costs associated with 24/7 in house support.

3. **Lack of knowledge of developing technology -** As an education professional, you are knowledgeable about your field. Less so about technology. This is especially true in areas of developing technology that might transform the educational experience. Only the largest institutions can afford the in house staff to both support present needs and also hire development staff to discover technology solutions that will advance your educational mission.

Schools with limited budgets aren't stuck, however. The rise of cloud technology represents an extraordinary opportunity to benefit from economies of scale. The use of managed service providers is also an excellent way to maintain 24/7 support and take advantage of outside expertise to build a technology infrastructure the will support your organizational goals.

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