Chapter II

Strategies for the Cooperation of Higher Education Institutions in ICT

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Abstract

This study analyzes the strategic planning of the ICT center, which is a joint venture of three higher education institutions. The strategies of focus and operations excellence are natural choices to define the strategic outlines for the center, which aims to increase the economic growth of the region. The selected strategies are described in this study using the balanced scorecard approach. It allows the network of organizations to articulate and communicate their strategy to their employees and stakeholders. The concept of the strategy map is used to describe the strategy. The decentralized efforts of separate organizational units would most likely fail without the network strategy and cooperation.
Introduction

Higher education institutions (HEIs) try to focus their activities to specific fields of education and the needs of their geographical area. Each HEI has its historical background and strengths. The educational institutions try to reinforce their strengths and improve their quality by focusing their resources on specific activities. Strategic choices are typically made to focus on the specific segments of knowledge creation and delivery.

Another strategy of HEIs emphasizes the operations excellence theme. Institutions try to reduce their costs and improve quality by doing operations more efficiently. The HEIs can achieve their desired objectives in ways other than traditional pure operational excellence. This study shows how the interests of various HEIs can converge in research and education in information and communication technology (ICT). The close cooperation of institutions has led to a partnership to build a joint ICT center, which produces better labor force and enhances the competitive advantage of the ICT companies in the region.

The various strategic approaches aim to move educational institutions from their present position to a desirable future position (Davies & Ellison, 2003; Fidler, 2002; West-Burnham, 1994; Wheale, 1991). The strategy of focus aims to direct activities to specific customer segments. This also leads to operations excellence and overall cost efficiency. These two strategies are essentially the competitive strategies by Porter (1990, 1996) applied to educational institutions.

The purpose of this study is to show that the balanced scorecard approach and the concept of the strategy map developed by Kaplan and Norton (2001, 2004) can successfully be used to describe and communicate the network strategy of the ICT center, which is a joint venture of HEIs. The communication of strategic objectives is important especially in a network project. The stakeholders have diverse backgrounds which increase the need for enhanced communication. The decentralized efforts of separate organizational units would most likely fail without the network strategy and cooperation. The approach helps to create a shared understanding about the planning and operation of the center. The balanced scorecard translates the center’s strategy into tangible objectives and balances them into four different perspectives: customer, finance, internal processes, and learning.

The strategies typically reflect the structure of the organization for which the strategy has been planned. In such cases the implementation of the strategy is straightforward, because the strategies of different administrative units can be aligned with one another to obtain an effective plan for the whole organization. This study presents strategies which are not congruent with the structure of an existing organization but with the network of independent institutions. The strategies favor the cooperation of the institutions in an ICT center in order to increase their external impact.

In many regions there are typically several HEIs, which have their own unique strengths but much in common. In these regions no single HEI is solely responsible for the regional development nor is in complete control of it. Their strategies can, however, be aligned and linked in order to strengthen their external impact on the local community. This study uses the balanced scorecard approach to plan strategies for virtual organizations to achieve commitment to a common strategy. Thus, the strategy for a virtual organization involves multiple autonomous operators with their own activities.
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