



About the CoSN Value of Investment (VOI) Initiative

Understanding the full range of costs (TCO) associated with technology investments assists school leaders in budgeting costs when planning for the future. Measuring the potential benefits of proposed projects against these costs provides a comparative financial Return on Investment (ROI). Adding likely student achievement measures and a risk assessment processes provides the most comprehensive measure of evaluating proposed projects.

The CoSN-Gartner K-12 TCO Web Tool

CoSN has worked to help school leaders understand **all the costs** associated with operating school networks and to ensure that they have budgeted adequately to support their ed-tech investments.

Determining overall technology cost—a concept known as *Total Cost of Ownership (TCO)*—can help education leaders conduct the most comprehensive assessment possible to determine how well they are managing their technology infrastructure.

The TCO Tool measures direct and indirect costs of technology investments, such as hardware, software, direct labor costs for formal technology support and the indirect costs accrued for technology support.

The online TCO Tool is a **vendor-neutral, free resource**, supported by corporate sponsorship, available to help schools and districts manage their computer networks in a cost-effective way. The CoSN TCO resources are available online at www.classroomtco.org.

Return on Investment (ROI)

ROI is a methodology used to evaluate the value of proposed projects or technology implementations. While TCO provides an extensive analysis of existing or proposed costs, ROI looks at dollar savings compared to the project cost. For projects that are being proposed specifically to reduce school or district costs, ROI is a way to prioritize the projects. Initial and ongoing costs need to be evaluated against benefits over the useful life of the candidate projects. The project with the highest ROI – the biggest bang for the buck – looks most attractive if one is only looking at savings and not qualitative factors.

ROI is only a partial solution

While ROI goes a long way towards helping businesses analyze perspective technology projects, the “business” of schools is to educate our children. Dollar savings certainly have their place in schools, but the bottom line “profit and loss” of a school or district is measured by scholastic success of its students. With limited personnel and funding, how does one go about evaluating the relative merits of competing projects, such as purchase of textbooks versus implementation of an e-learning curriculum?

On the academic side, tying technology investments directly to student achievement is difficult at best, and certainly not an exact science. There are some ways to measure factors such as time-on-task, absenteeism and standardized test scores. One can even apply a dollar value to these factors, understanding that the value assigned is useful for project comparison purposes only.

There are other factors to consider

The concept of Value of investment, or VOI, takes into account both ROI factors (including staff productivity) and qualitative factors when comparing the relative value of proposed K-12 technology projects. The qualitative benefits need to positively affect school mission, goals, mandates or other imperatives. Some considerations that should be evaluated when evaluating technology projects are:

- Operational Efficiency – effect on TCO, including indirect labor costs
- Constituent Service Level - Maturity, usefulness and success
- Political Return – Internal/external recognized value



- Project Risk - Probability of the project meeting educational or financial expectations
- Educational Fit - The relationship between desired outcomes, curriculum and technology
- Technology Emphasis – Alignment with the school’s objectives
- Equity – helping to provide equal access to learning for all
- Student learning or achievement – Time on task, absenteeism, standardized testing, graduation and college entry percentages
- User Satisfaction and Staff Retention
- Teacher Proficiency
- Impact - % of total population affected
- Scalability – this would include fit with district long range plan
- Timeliness of data
- Providing 21st Century Skills
- Solution Quality and Vendor Support

Why should a school do a VOI analysis? Who will benefit from this?

A VOI analysis can become an important part of ongoing technology and budget planning when evaluating the cost/benefit of proposed technology initiatives. Due to the requirements of the No Child Left Behind Act of 2001, states and local districts are now in the process of reviewing their technology plans with an eye to demonstrating the impact that technology improvements have on academic achievement. A VOI assessment can help school leaders make the case that the dollars they are spending on education technology are well spent and measurable objectives are being met. This kind of analysis is likely to gain credence with education policy-makers and constituents

CoSN’s proposed VOI project is focused on helping schools.

Experience with the CoSN-Gartner K-12 TCO Tool has shown that while there has been a high degree of acceptance, the required data collection can be a daunting task. CoSN has developed an alternative

project cost estimating tool. While less accurate than a full-blown TCO analysis, the Project Cost Estimator is a way for schools to quickly develop an estimate anticipated costs for proposed technology projects.

Why CoSN?

K-12 educational institutions need an impartial credible model or tool to estimate the value of technology initiatives. For K-12 there are many factors to consider beyond measurable TCO and ROI calculations, such as effect on student learning, risk, 21st century skills and political return. CoSN is entering into this project with the necessary resources and expertise in K-12 technology value and costs.

CoSN has developed guidelines and a methodology for performing a K-12 VOI assessment, leading to a with tools that are available to schools worldwide, thanks to support from corporate sponsors.

Details are available at www.edtechvoi.org.

CoSN is a national non-profit association whose mission is to advance the K-12 education community’s capacity to effectively use technology to improve teaching and learning through policy, advocacy, and leadership development.

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