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The mission of *IT Business* is to provide a platform for discussion and analysis of the successful use of IT to enhance business processes.

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IT Business Brief

Is Your Firm Getting the Most Out of IT?

Part 2 of 3

by Malcolm I. Allan,
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Business Strategies

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A note from the founders

We think you're going to find this IT Business Brief, which is the second of three parts, a great continuation of the discussion. As I mentioned in the introduction of the first installment, this is the exact type of material that is central to IT Business concept.

This installment starts with a discussion of pricing. I like this section because it emphasizes that the total cost of implementing a project may have little to do with the list pricing. It then continues with a section on the daunting task of implementation.

The final section focuses on training - a topic that we find most critical. In fact, I recently wrote an editorial for Network World on this exact topic. (For a copy, please visit <http://www.nwfusion.com/columnists/2003/0714taylor.html>.)

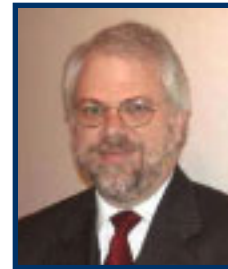
I'm sure that after reading this IT Business Brief, you'll be eagerly awaiting the final chapter.

- *Steven Taylor, Distributed Networking Associates / Webtorials*



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Part 2 of 3

Is Your Firm Getting the Most Out of IT?

The purpose of this paper is to provide awareness on the various business and management issues associated with the successful implementation of technology projects for the small to mid-size organisation.

In this second of three parts, we'll consider:

Step on Down because the Price Is Right - Or Is IT?

Implementation Can Be As Important As System Selection. Why?

A Tale of Three T's - Training, Training and Training

The figures quoted here are based up trade press surveys and reports on companies operating in Europe. As always, your mileage may vary.

Step on Down because the Price Is Right - Or Is IT?

Take for example, the long-standing criticism among firms that company or sector specific software is disproportionately expensive in comparison to general-purpose applications. One of the most common protests being that a single user licence for the most current version of Microsoft Office costs around

£340.00, whereas a stand-alone copy of a business specific management system is likely to cost in the region of £1500.00 upward - and the business will still have to run Microsoft Office on it's PC's.

There are numerous reasons why such software is so expensive, not least the economies of scale. Microsoft is able to sell Office into millions of organisations globally whereas even the most successful bespoke products are only bought by a few hundred firms to which and whom it may be applicable. However the net result is the same, as for many firms price has become the determining factor when it comes to systems selection.

Without doubt the cost implications of any proposed IT system is of considerable consequence, given the commercial demands and constraints all firms are under in today's market places. However, it is also equally true that a conscientious and deliberately planned IT strategy should always include the capacity to shop around for a bargain. This factor being particularly convincing in today's software (and to a much greater extent hardware) markets, as prices are in a constant state of flux and are eminently negotiable - indeed some of the discounts available at present can be very generous, particularly if a supplier is keen to close a deal or is overstocked. Notwithstanding such tempting

economies, price should and **must not** be the exclusive consideration.

The most fundamental and overriding consideration should be that the system's functionality is vital. The software and hardware deployed and installed onto any business' IT systems become nothing more than expensive electronic implements if they fail to accomplish the job which was either required or anticipated of them and consequentially were **not** a bargain, no matter how inexpensive they may have seemed at the time the investment was made in them. Although a firm will never find a system that meets 100 percent of its needs, it is a totally false economy to expend less on a system that only satisfies 70 percent when for a little more a firm could have one that achieves 85 percent of its needs.

Further and equally important factors are the relationships a firm establishes and then maintains with its proposed soft/hardware suppliers. In order to minimise their costs - and so keep the price of their products as reasonable as possible - a number of suppliers offer customers only basic support services. This is all well and good if a firm has its own in-house IT resources in the event a requirement for support or assistance may occur. However, a considerable number of SME's are unable to justify such an overhead and consequently are reliant upon their main soft/hardware suppliers to help them with their IT projects and any

problems they encounter. This scenario has an additional benefit in that it often turns such a relationship into that of a 'trusted supplier', upon which further mutually beneficial business can be transacted.

Accordingly, it is nearly always commercially more prudent to buy from and continue to deal with a supplier a firm can feel it can rely upon rather than purchase from a cheaper but less helpful and ultimately less financially viable vendor.

Implementation Can Be As Important As System Selection. Why??

For many firms there is an all too natural assumption to think that once a computer system has been selected, all that remains is to negotiate a price and then approve the contract with the supplier. As has been mentioned previously whilst price is a most important factor, so also is the functionality of the system. There is however, one further factor that can make or break almost any computerisation project, and that is the implementation phase. Implementation means everything from the delivery of the system's component hard and software to a firm's business location to the rolling out of the fully installed and tested system and the completion of staff training.

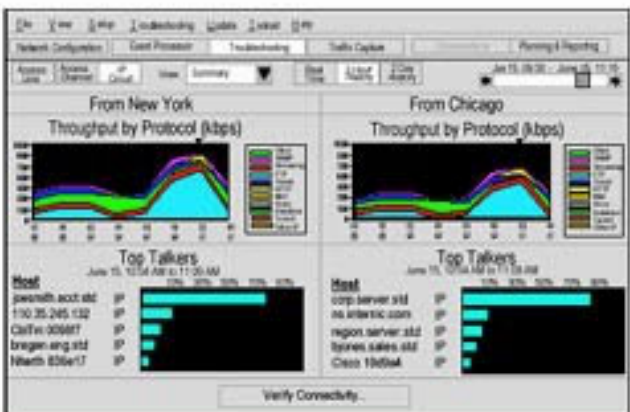
To all intents and purposes, implementation is a project management issue in which timing is one of the

principal considerations. Ideally it would not make sound business sense to attempt to manage the implementation of a new computer system simultaneously with one of a firm's busiest times of the year or when an accounting department is fully occupied with an audit or preparing year-end accounts. Essentially, the administrative and revenue earning staff of most SME's will not only need sufficient time both to attend the essential and

invaluable training sessions, whilst contemporaneously setting up the new client/management files and/or the transfer of such data from any existing systems, but they will also still have to find the time to do their regular day jobs. Otherwise a firm's core business would shudder to an all to abrupt halt.

Depending upon the characteristics and design of the IT system that a firm intends to install, another con-

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sideration may be whether it selects the 'big bang' model and launches the new system simultaneously to everyone in the company or else decides upon a staggered 'roll out' on a branch-by-branch, department-by-department, or project-by-project basis. Even with SME's a staggered roll out is widely considered to be the best practice when it comes to applications such client management, starting with systems for, creating contact and account data before moving on to the establishing of debt recovery and further more specific functions.

A further widely accepted implementation methodology is to actively advance the concept to departments or teams who can adopt or 'take ownership' of the new system via people who have an affirmative attitude towards technology from the outset and want to make it work. These people are distinct from those technophobes with a negative outlook and so expedite its adoption throughout the firm by demonstrating to other departments and teams the benefits that the new IT system can offer, thus establishing the "ownership" of the project by their contemporaries.

Whilst larger firms with experience of IT projects will probably be able to manage implementation projects themselves, SMEs should give serious consideration to delegating the project management element of the deployment and implementation of the new IT

resources to the firms approved systems consultant/provider. Such delegation can be of particular significance in multi-vendor situations, with hardware coming from multiple sources, software from other sources and yet another organisation installing the network infrastructure within a business' offices.

In such a situation as the latter, a firm's prospective consultant/provider's previous track record of successful IT project completions is of paramount importance. Whilst a company may produce great software or champion their concepts and abilities in distinguished and well intentioned terms, but if other firms have experienced inconsistent obstacles in getting them to implement the systems to their satisfaction, a firm would be well advised to consider an alternative source.

A Tale of Three T's - Training, Training and Training

Typically, as a result of it usually being included by suppliers as only an optional, modular extra, training in the use of a firms new computer systems - both hardware and software - is an element of the implementation of a new IT system for which a majority of businesses and especially SMEs almost invariably seek to effect economies.

At its most palpable such economies would take the form of the "sitting next to Rotty-Dog" model (OED: "Rotty Dog" - a term of famil-

ial endearment coined by the author to describe the tenaciousness of his eldest daughter, herself an IT trainer). In other words a firm enrolls the minimum possible number of people onto a formal training course and when they return to the office, they are expected to train their peers - this in addition to attempting to remember themselves how the new system works, all in conjunction with fulfilling the requirements of their full time "day job". Such a scenario may just have been acceptable in the past with some of the earlier - and simpler - word processing and accounts systems, but today it is an unfilled prescription for the dilution of knowledge and understanding, in terms of the firm's overall perceptiveness of how its IT systems operates. Irrespective of such dissolution of a firm's staffing resources, this course of action represents an entirely negative balance in terms of any real return on the new investment in technology.

To adopt such an approach will almost certainly lead to far more serious problems within a firm's IT structure. Take for example the situation of what would happen when the original "Rotty-Dog" decides to leave the firm and those who sat next to her then try to train their own successors - the incompletely informed leading the uninformed and to where - technoblivion? In fact there have been a number of occasions where firms have set out to purchase a replacement software system that can perform a specific function only

to discover that their original system had that capability all along but thanks to inadequate training no-one in the firm realised it.

As has been detailed previously, computer systems are merely electronic tools whose value derives from how they are used. It therefore follows that if people *are not* trained in how to use them properly, the firm *will not* see a satisfactory return on its IT investments.

SysDom's advice is therefore, that *everyone* who is going to use a particular system or part of a system should receive the appropriate training in how to use that system or part thereof. The training should also be uninterrupted training, in order that the delegates are able to concentrate on the course and the course alone, rather than have the distraction of revenue generating/field staff members asking them if they could just break off to type off a few urgent letters or produce a report. This is a one of the principal reasons why previous emphasis was placed upon the absolute need for system implementations and rollouts to be meticulously planned and project managed.

Firms are also advised to seriously consider periodic 'refresher' training, thus ensuring that staff members remain up to speed on how to use all of the businesses currently deployed systems - not least because not everything taught during the initial and understandably intensive train-

ing sessions will be remembered. Larger firms with their own Human Resource departments will be able to monitor this internally. For smaller firms the incentive may (or indeed by today's standard - may very well not) emanate from a firm's systems suppliers, especially if they have been diligent in the monitoring and analysis of the support calls a firm's staff have been putting through to their help desks. Firms should also take into account that it is of equal if not greater, importance to ensure sufficient investment in the proper and appropriate training for all new recruits who join the firm. The appropriate knowledge of the correct usage of current integrated and complex IT systems is far too an elemental factor to leave to the by now totally overburdened 'Rotty-Dog'.

Finally, it is of no less significance to address the issue of how a firm is to approach the matter of management/board level training in general - and the training of directors/managers in particular. Together with the inevitable resistance some people will always have towards change, the pressures of work and revenue targets many managers/directors now face, mean that a firm will most probably need to make special arrangements for their IT training, including out of hours and one-to-one sessions.

Again, SysDom Technologies believes that the selection of depart-

ments or key management personnel to 'take ownership' of the new information systems to be the best approach to the matter, as with those staff member who took ownership of the new system, managers too are likely to be far more enthusiastic about following suit and adopting the new technology if they see it really can help cut the managerial workloads and increase revenues of their contemporaries. With this final element in place a firm can be confident of every staff member's individual and unique ownership of the entire new IT structure and system



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