

IT: Unsung hero, rabbit or ostrich?

Business managers complaining bitterly about the lack of delivery from their IT groups are a common feature of corporate life. In fact, it can be surprising to find a company where IT is praised universally for doing a great job.

When Pagoda is invited to help improve IT service delivery, we always start by asking business managers about the problems they experience. Typically, they complain about late delivery, projects that are never finished, or never started and cost over-runs. They often mention projects that fail to deliver what they really wanted. When asked why they think this is happening, they talk of lack of IT leadership and strategy, poor IT management, lack of knowledge of new

technologies and the wrong skills in the IT group.

In the same organisations, when IT managers are asked about their concerns, they talk of over-demanding users who want everything at the last minute whilst continually changing their mind about requirements and having little idea of the constraints and problems IT are dealing with. IT managers will even deny that projects are delivered late, saying that the IT projects are delivered on time, it was the business who delayed the start of the project and who were not ready to implement.

What is going on?

Pagoda has put together a series of caricatures that show some of the most common situations we encounter. Of course, no company will be exactly like any one of these, but some companies may have elements of one or more.

The unsung hero

This IT group is coping with huge volumes of work. Managers and staff are under severe pressure and respond to business criticism by working longer and longer hours. The whole group is at over-capacity and there is little time to plan or think. Over time IT sickness rates begin to rise. Resentment is beginning to grow, but there are still high levels of commitment to the company.

This is often seen in 'legacy' groups, with long serving staff supporting complex legacy systems. As the systems are continually changed and amended, they become increasingly complex and difficult to work with. There is limited documentation and they are only understood by small number of application experts working

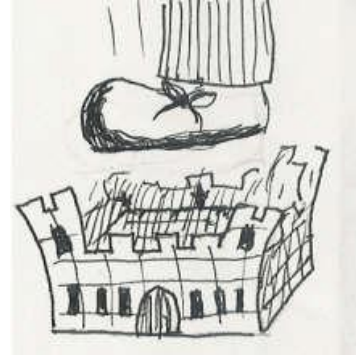
across multiple projects and whose availability determines speed of delivery. Delivery is also slowed down by the extensive testing needed.



Business managers view this situation as poor management and are concerned about being held to ransom by the experts. IT management point out they have been warning the business about the situation for years and investment in new systems has not been approved. The experts feel they are being exploited and are worried about their lack of training in and exposure to new technologies.

The valiant defender

The business agenda is growing fast, competition is heating up, and technology changes have driven the introduction of new channels, particularly the internet. By default IT determines the pace of change. IT is besieged by increasingly demanding and unforgiving business managers who want results now. There is no limit on demand as IT owns the budget and allocates resource. The backlog is growing and the fast track delivery system is falling over. Business managers complain that IT are blockers and use every means possible to get their own agendas delivered. IT managers try to get the business to prioritise between competing demands, but are accused of introducing barriers and not managing their resources effectively. At the same time, IT management is under pressure to reduce costs.

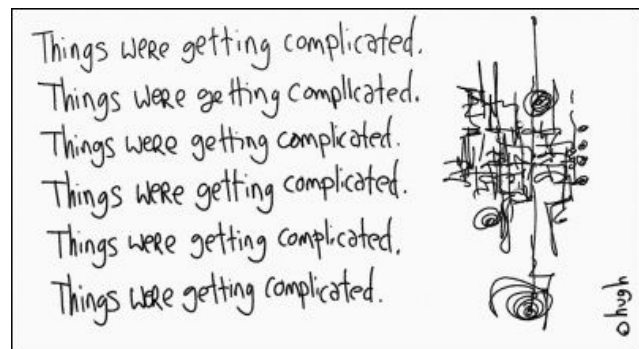


Regrettably, this situation can go on for years, with the business increasingly frustrated and eventually prepared to take drastic action.

The 'patchwork' provider

IT architectures have built up piecemeal over the years, as IT has raced to deliver a continual stream of short term demands for differing applications, technologies and changes to existing systems, usually in an environment that sees each solution as stand-alone and expects low cost delivery.

The technical, data and applications architectures are a mishmash of very different technologies from different suppliers. Sometimes, different solutions to the same business need have been implemented in different parts of the business, for example, multiple customer information systems on different databases. The IT Department has to decide whether to rely on extensive support from suppliers, which gets more expensive as products age, and become obsolete, or grow internal resources to cope with the diverse infrastructure.



Delivering changes to the infrastructure, particularly anything involving integration is increasingly difficult, time consuming and expensive. As more short term solutions are implemented, the problem gets bigger and bigger.

How does IT respond?

In any of these scenarios, the business will demand that IT improve service delivery.

How does the IT group typically respond?

The IT dictator

A strong IT Director faces off to the business and takes control of the change agenda. Business managers toe the line, or don't get their agendas delivered. Rigid investment approval and resource planning approaches are implemented to control the flow of change. The number of IT staff rises rapidly. The agenda is delivered but IT costs are growing fast. Increasingly, the IT tail is wagging the business dog. Changes in business or IT leadership, or spiralling costs eventually make the situation untenable.



The rabbit in the headlights

The IT group becomes paralysed by the growing demands. Performance begins to decline as staff morale falls. Plans are made and remade, but not delivered. There is no certainty of project delivery as IT resources are continually re-allocated to the business manager who shouts the loudest. The more pressure put on IT, the worse the situation becomes. When the inevitable collision comes, everyone is grateful.



The head in the sand

IT management can't or won't recognise the problem. Complaints about lack of delivery are ignored or countered with explanations of the problems IT are dealing with. IT view business managers as being unrealistic, with little understanding of the issues involved in IT delivery. External comparisons that show IT is performing as well as other IT groups are commissioned. Suggestions on how delivery could be improved are sometimes implemented, but in a half hearted way as IT don't really believe there is a problem with their performance. When the business wields the axe (as they eventually will), there is shock.



Most IT groups don't become dictators, freeze or ignore the problem. Different approaches may be tried to improve delivery, often based on improving processes, re-organising, changing the people mix or changing the IT culture. However, these each have their perils.

Process paralysis

Improving processes to improve service delivery is the most common approach used by IT groups. All processes from demand management through to identification of benefits delivered are specified and documented. Working practices and procedures and the organisation structure are aligned to processes. Roles and responsibilities for change are clearly defined. Everything is carefully documented, everyone is kept informed, frequent meetings mean the impact of projects on each other are understood and managed. Unfortunately, all this new bureaucracy and overhead can result in rising costs and slower project delivery. However, the good news is that the new processes can tell you exactly how much slower.



Organisational overdrive



A new organisation is implemented to make IT more responsive and able to deliver faster. IT is devolved or centralised. Services are insourced and/or outsourced. A game of management musical chairs leaves some managers without jobs, but the rest are shuffled around. Performance improves for a while, but ultimately delivery speed and effectiveness stays the same. Occasionally, companies become addicted to re-organisation - one client had re-organised IT six times in five years. Eventually, IT staff see re-organisation as yet another hurdle to delivery imposed by management.

People putsch

Obviously, changes in IT leadership can improve service delivery if the new leaders have a clearer idea of how to deliver what the business wants, or the ability to demand investment in new infrastructure. However a decimation approach, ie sacking a proportion of IT staff to encourage the others, seldom works. One travel company sacked 50% of their IT staff in an attempt to reduce cost and improve service. They were left with a group of fearful and cynical staff who spent a high proportion of their time looking for other jobs. This approach seldom has a good outcome and the first priority of any subsequent recovery programme will be to re-motivate IT staff, encouraging them to develop a supportive, blame-free culture.



Adopting a culture change approach is rare in IT groups but may be imposed by the business. People are exhorted to work together and work harder to deliver common business goals. Values are defined. Preferred behaviours are specified and rewarded. Attitudes are measured. Communication is improved. Usually, everyone enjoys the process tremendously (except the cynics in systems programming—see left). Morale improves....speed of application delivery does not.

Culture coddling

What are the messages?

This is a relatively light hearted if extreme view of service delivery problems. It gives some strong messages about what not to do.

But what works?

In practice, every IT organisation is different. Each is a product (or a victim) of its unique technical environment, the business agenda it has to deliver and the way in which it operates. Each needs a tailored approach for improving service delivery. However, some actions are universal:

- Understand the real issues and specify measurable objectives for change. Agree these with senior business managers.
- If the real problems are the underlying architectures and applications, make sure senior business managers understand this, how much it is costing in terms of delay and cost of resource and what has to be done to standardise on common architectures. This will not produce short-term improvement, but will revolutionise delivery in the longer term.
- Make sure that the business is responsible and accountable for prioritising demand, owning the budgets and delivering the benefits. Always remember that in IT, there is unlimited supply of resource in the market, if the business is prepared to bear the cost.
- Take a holistic improvement approach using a combination of process, culture, organisation and people change to improve service delivery. In nearly 20 years, Pagoda has found that the people in different IT groups are pretty similar, it is the environments they work in that are different – so give them an effective one.
- Engage IT managers and staff in making improvements and listen to what they recommend.
- Your people are your future, they have to own any new IT agenda and be responsible for delivering it.