

INFORMATION SYSTEMS CORE COMPETENCY

Introduction

Information Systems groups need to understand their core competencies better. Equipped with a firm and clear understanding of core competencies, these organizations will:

- Apply these skills with vigour to the business needs
- Invoke risk management for projects that require other competencies
- Implement investment programs to sustain existing competencies
- Seek opportunities to leverage existing competencies.

The challenge in all of this is to truthfully recognize and develop the awareness of existing core competencies.

Case Study

A large Western resource company was working through a planned downsizing exercise. One of the downsizing techniques involved carving off business units and implementing an employee buy-out. The newly created company (usually called "NewCo" until a real name arrived) would be nurtured into healthy independent existence. A pillar of the weaning process usually involved providing the "NewCo" with a long term contract for the provision of the same services the group had provided when they were part of the larger enterprise.

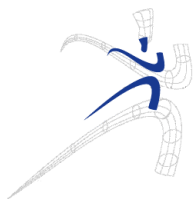
The first unit that underwent the appraisal process had provided oil well drilling engineering expertise. The group was excited at the potential to become more flexible and entrepreneurial. Freedom from the bureaucracy and constraints held great appeal. There would be new titles and new offices and great excitement of building something new. Visions of new business cards carrying impressive credentials and labels (Vice President, Director, Manager, etc.) were rampant.

Then some bright folks in the Human Resources groups started asking some tough questions. Reality brought forth some ugly truths.

- Who was going to lead the new organization into the future?
- Who was going to provide the marketing and sales strength?
- Who was going to make the dreaded "cold calls"?
- Who was going to ensure the payroll was met each month?

In the end, the group went through a core competency assessment that revealed the following:

- Low entrepreneurial strengths
- No marketing and sales capability



- Low business management skills.

The assessment was so devastating to the group, a second effort was focused on identifying the strengths the group could build on. In the beginning, they identified their long successful history of drilling oil wells. Then came some more tough questions:

Who drilled the actual wells? Answer: contractors

Who determined where to drill the well? Answer: the exploration group.

In the end, the group decided that their primary contribution lay in such skills as :

- Expediting
- Project management
- Planning.

Sadly, even here more tough questions had to be asked:

- What training do you provide in these areas to sustain competency?
- What screening techniques are used to ensure effective hiring of these skills?
- What tooling is provided in these areas to leverage the competency?

Finally, the group admitted that their primary competency was in project management. Yet, this appeared to be more luck than the results of planned strategy.

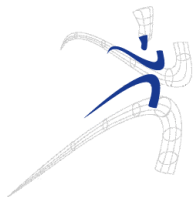
At the end of the assessment process, senior management eliminated the group from the buy-out opportunity. Everyone agreed, prospects for the long term success of NewCo were nil. The group lacked:

- Leadership to survive in a hotly competitive market
- Differentiated functional expertise.

In the tough, competitive world outside the womb of the mother corporation, the group would likely fail.

Why Test?

Few people set out to fail. Yet, in the world of Information Services, the litany of failures is staggering. A recent study by the Gartner Group suggested that in North America in 1990, less than one-tenth of one percent of the systems projects delivered results that could be categorized as "successful". So how can this sector achieve higher success rates? The trade press abounds with all manner of new tools and methodologies. Each proposes to be the next "silver bullet". Yet the results change only marginally.



I have two theories:

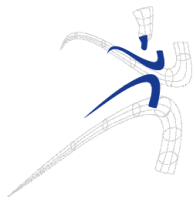
1. The "worker bees" rarely make the big mistakes (which leaves the "manager bees")
2. Risks in systems projects are poorly managed.

The essence of using core competency as a tool is that it can help manage risk. As in the case of the alcoholic or drug addict, the cure begins with awareness. The following material on testing is intended to help reveal the competencies of a systems organization. Armed with this awareness, prudent systems managers can begin to invoke protective mechanisms to help reduce the risks brought on by systemic weaknesses.

Testing

The following is a list of the subjects that need to be reviewed objectively in assessing the core competencies of an information systems organization.

- Delivery track record
- Systems response
- Systems stability
- Quality measures
- Introducing new forms of technology
- Currency of technology
- Organizational velocity
- Staff turnover
- Leadership turnover
- Ability to attract bright young minds
- Reputation regionally
- Reputation nationally
- Reputation internationally
- Client relations



- Senior management relations
- Unit costs
- Use of consultants
- Training investments
- Budget track record
- Measurement processes
- Peer group comparisons
- Planning processes.

Each of these items can be assessed to provide a measure of the various competencies of the IS function. The grouping of the functions can either be through the 42 categories as defined in the IBM systems management model or through a reduction of these into the less complicated model of a dozen or so traditional categories.

Summary

The issue of core competencies is critical to the long term health and survival of systems organizations. Resolving gaps and sustaining strengths can result from an objective awareness. Testing against the above set of characteristics will help shape the beginning of an understanding.

Ron V. Gilmore, CMC

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