

## THE PRESIDENT LEADS AN INFORMATION SYSTEMS PROJECT

Leaders of organizations can have dramatic effects on the success of information systems projects if they will take the time to get involved.

### Case One - Technology with a Sizzle

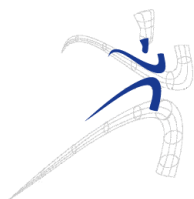
The Premier of the Province of Saskatchewan, Mr. Grant Devine, proved that determined leaders can make systems magic. In early 1988, Premier Devine demanded that the Department of Health implement a new computer system. The existing processes that supported the government subsidy of prescription drugs in the province was causing all manner of frustration. Pharmacists were unhappy with delays in processing claims. The public was frustrated with long delays in payments of claims. Many claims were rejected, causing further frustration. The Department of Health Drug Plan Branch was struggling to cope with the flood of paper and the high reject rates. Naturally enough, the government took it on the chin for their share of the blame.

Some bright folks in the Department of Health and the Premier's Office suggested that technology could help solve many of the problems. The Premier was interested. After reviewing a brief feasibility study in the Spring of 1988, he mandated the project to automate claims processing with a deadline of January 1, 1989. The Department of Health had a short period of 9 months to deliver a working system. On January 1, 1989, every citizen in the Province of Saskatchewan had a shiny new plastic card with a magnetic stripe on the back. Every pharmacy in the province had a magnetic stripe reader connected by telecommunications lines to the Department's computer system. Pharmacy staff were trained and ready to use the new facility. The implementation went off with barely a hitch.

Residents, pharmacists, the Department of Health and the politicians were delighted with the new system.

### Case Two - It's a Computer Problem

The President of a medium sized oil and gas company strode into the office of the Vice President of Systems and demanded to know why he could not get the current operating results working. The President was young and impatient with the answers he was getting from the Finance Department. Essentially, he had been told that the computer systems were constraining the company's ability to get the figures in a timely manner. Needless to say, the Vice President of Systems launched an immediate project to get some answers. He



put his best people on the effort. The Vice President of Finance was enjoined by the President to support the work. The team had a preliminary response within days. Yes, there were some major improvements that could be made to their computer processing, but another big problem was the "closing" of the monthly books that seemed to take forever.

The President listened to all of the information from the project team. He thanked them for their effort. Turning to his two Vice Presidents, he told them they had three months to solve the problem. Amazingly, in three months time, the operating results were on the President's desk as he had demanded. The major beneficiary of the work were the operating heads of the business units of the firm. They also had their operating results days earlier.

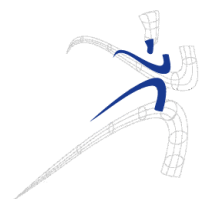
Results similar to these two case studies can be found across North America and beyond. In each case, the head of the organization has taken a clear role in making specific systems demands on the organization for certain results in a short time frame. The benefits speak for themselves.

### **Why Does It Work?**

How did these organizations reach down within themselves and deliver? In each case, the organizations already had full workloads. How were they able to tackle successfully problems that they had faced for years? The problems that were solved were not new. In the case of the plastic health services card, the same solution had been proposed in 1981 but was rejected as infeasible. How did they get such impressive results in such short time frames? Government organizations are not noted for speed and quality. The oil company had a long history of mediocre systems efforts. Some new factors were at work in each case. These secrets can be applied in many other situations.

Robert Schaffer, in his recent book, "The Break Through Strategy" has part of the answer. He poses the situation where an employee is asked to take on some extra work, and to walk the extra mile. Usually, the employee will find some way to shirk the task, negotiate more resources or delay some other work. However, if the demand comes from the very top of the organization, employees find the "hidden reserve." The hidden reserve is what happens when people are focused on a short term deliverable and they put forth that extra energy needed to make the work a success.

In the case of information systems projects, there is more. Systems projects demand an inordinate amount of teamwork. For true success, there is an urgent need for a strong partnership between the delivery agencies and the receiver of the work.



Recently, a regional financial services organization initiated a project to implement a brand new front line technology for every bank teller in all of their branches. The President demanded only one thing from the project:

"Don't tell what the problems might be - I only want to know what you can do to make this project successful."

The message sent an electric shock throughout the organization. Groups that traditionally criticized and thwarted each other found new ways to work together. The service organizations that previously stressed "control mandates" moved into strong supporting roles. No one in the firm wanted to be singled out as a "negativist" or obstructionist. And it worked. The new technology was rolled out in record time in over 250 locations.

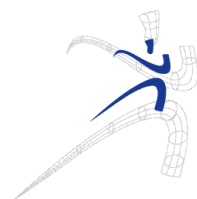
### **The New Era of Information Technology**

There are some fascinating trends that are changing the world of business and government. Information technology has become a major component of business life. Ask a bank or airline if they could live without their computers. Companies spend increasing amounts on information technology. Even organizations with lower degrees of dependence on technology such as manufacturers and energy firms are spending close to 2% of their gross revenue on information technology. The increasing penetration of technology means that few desks will be without a computer workstation. Some organizations boast a "computer on every desk." Advances in technology are appearing at an increasing rate. Organizations are racing to apply technology to advance their competitive positions.

Yet, at the same time, information systems projects are fraught with problems. Projects take forever and deliver little useful output. Major cost and schedule overruns are normal. Users demand perfection that is almost impossible to achieve. The analytical processes take forever, yielding answers to problems that have been eclipsed by newer pressures. Systems groups and users groups battle each other at every corner. Users do not commit the energy needed to make the project successful. The systems groups get distracted by the technology and ignore the business needs. The list goes on.

These trends and issues suggest that leaders need to focus some energy on their systems investments.

Leaders of organizations can take a major role in improving the effectiveness of technology investments. I believe that leaders should take on sponsorship of one systems project every year. The impact can be as dramatic as we have seen in the cases described above.

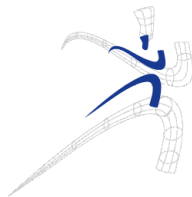


## How To?

Every organization has several systems projects in progress at any given time. Some projects are sitting on the shelf for lack of solid business cases. Others never get initiated because they were poorly presented. Some simply lack sponsorship at the right level. Some burning business issues have never been reviewed for a systems solution.

Leaders tend to have a longer term view of their business and can often see beyond the immediate challenges to the future. Sometimes, some systems solutions can feed longer term needs. The need may be specific (for example, to solve an immediate problem) or more generic (for example, to prove that the organization can actually deliver, hence building their confidence and self-image). The following is a suggested way for leaders to get action.

1. ***Search for need*** - this is usually not too hard. The Information Systems Steering Committee will have an annual list of projects up for funding. Review the complete list, including the ones "below the line." Search out urgent business needs from the business units. Take a look at the items that cause everyone frustration today.
2. ***Cast out for imaginative solutions*** - ask your technology group and others for ideas. Talk to technology leaders outside the organization. For every problem there are several solutions. Pick one which stirs some excitement, yet uses current "off-the-shelf" technology.
3. ***Identify a project*** - select one project and demand a working solution from the organization. Although the work will be assigned to one group as their major responsibility, make sure that the rest of the organization is also responsible for the project success. Give the project a short time frame (one year at the most).
4. ***Make the work public*** - make sure that the entire organization (including yourself) is "on the hook" by announcing the effort publicly. This will ensure another level of team effort. No one will want the organization or its leader embarrassed publicly if the deadline is not met.
5. ***Make your interest in the project visible*** - ensure some form of regular input on the project progress. Visit the project team. Get a copy of the project newsletter. Make sure however that the project team does not get derailed in spending horrendous effort in "executive reporting."
6. ***Provide support*** - if the project needs some extra resource, see that they get it. If the



project needs some support from outside, see that they get it. Let it be known by your actions that you are determined to get the results you have demanded.

7. *Thanks* - when the work is done, find ways to thank the participants for their effort. I always look for some tangible item that people can keep as a reminder of the excitement of the project.

When the work is done and the players have returned to their normal work, its amazing how many will hunger for another project like this. They want the excitement, the urgency and the attention. If they get this, they will deliver. And, others in the organization will want to get on the next project with their leader at the helm.

## **Conclusion**

Presidents, CEO's and senior executives can make major contributions to the information systems initiatives in their organizations. The importance of these projects to the success of the business is increasing. Organizational leaders would do well to learn how they can provide the impetus of early success. Success patterns can be expanded and leverage the organization for greater effectiveness.

Ron V. Gilmore, CMC

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