

REBOOT AN AILING IT DEPARTMENT

By Robert M. Green

IT problems – what organization doesn't have them, to some extent? Few units are as crucial to business success, yet at the same time, are as misunderstood and prone to dysfunction as the IT group. When an IT team is ailing, every department starts running a fever. For a variety of misguided reasons, IT problems are too often ignored by otherwise responsible leaders in the hope that somehow, the patient will eventually recover. This unwillingness to acknowledge and properly address the underlying causes of an underperforming IT department can quickly bring an organization to its knees. The good news is that there is hope, and it all starts when an organization takes off its blinders and seeks qualified turnaround assistance.

INDICATORS OF IT DEFICIENCIES

Here are the common traits of a seriously underperforming IT department:

1. One in two projects is behind schedule and/or over budget. Even the very best organizations encounter such challenges from time to time, but when it happens this often, it points to a serious problem in IT-land.

2. System availability up-time is less than 98 percent. Less than 98 percent is bad? How is that possible? First, this refers to unplanned system unavailability. A system is considered available when users can utilize the applications they need – otherwise it's unavailable. Availability is measured end-to-end, including all components needed to run the application. For top organizations, less than 98 percent availability is unacceptable, period.

3. Unable to pass a Sarbanes-Oxley (SOX) audit on the second test. SOX

requires IT departments to comply with various global standards. The first audit is a preliminary examination of an organization, the results of which are shared with its leaders to alert them to problems that must be fixed before the crucial, primary audit (the second one) takes place. In the past few years, failure to pass a SOX audit has caused many companies to abandon or delay an IPO or sales transaction, costing shareholders substantial value.

4. A business is unable to extract key data without IT support. In best-of-breed enterprises, individuals are able to track, extract and utilize the data they need on their own, without any help from IT. This is not some utopian fantasy; it can and should be the norm in every business, organization and governmental agency today – with very affordable, easy-to-use technology.

5. Enterprise fails to meet annual organization plan objectives. In principle, an organization's business objectives push down into every department. In many cases, however, IT departments seem either to operate according to their own set of objectives or believe that they are in charge of setting the terms and timeline of the entire enterprise's goals.

6. Above normal data and process security breaches. Security breaches and sloppy data handling are enormously expensive, reputation-busting blunders. Ironically, quite affordable technology exists that allows companies to better protect their data.

7. The IT department does not consider itself a service-management organization. Far too many IT managers and staff view themselves as technology providers when they're not. An IT department should be like every other unit in the enterprise: a service provider. This is not an idle rhetorical point; it gets at the very heart of the problem under discussion.

It doesn't take much imagination to grasp the serious consequences caused by this list of underperforming indicators. Companies with dysfunctional IT departments lose business opportunities, fail to keep costs in line, are crippled by high employee turnover rates, and are saddled with ineffective, inappropriate and abnormally expensive technology. What organization can afford that today?

KNOWLEDGE CREATION

Most companies with underperforming IT departments simply ignore the problem, hoping they will fix themselves – a happy outcome that almost never comes true. Other organizations, to their credit, try to fix the problem, albeit internally. Their approach usually involves one or more of the following actions:

- Replace senior IT management and key staff with new personnel;
- Outsource the IT department; or
- Hire outside consultants to guide an IT "rehab."

An entire book could be written about the pros and cons of each approach. While they can be effective in achieving certain favorable – if limited – objectives,

"In best-of-breed enterprises, individuals are able to track, extract and utilize the data they need on their own, without any help from IT."



2. Emergency action stage – This phase addresses issues that simply cannot wait, including data security-related problems, lack of a budget, inadequate or absent vital cost-accounting processes, non-existent job descriptions, daily back up and disaster recovery procedures. In short, matters that threaten the short-term viability of the organization.

3. Management change and restructuring stages – This is the longer-term, big-picture process that examines systems, pay scales and a wide range of other crucial organizational benchmarks. In this step, the company's leaders begin to really understand the high level of participation demanded of them.

4. Return to normal stage. The new normal, that is. The IT department now conforms to a global set of standards and possesses a laser-

sharp focus on strategy, design, transition, operation and service improvement. The IT unit has been transformed from an underperforming data gatekeeper to a "best-in-class" knowledge-creating unit that both serves and advances the objectives of the entire enterprise.

NOT ROCKET SCIENCE

A knowledge-creating organization is structured in such a way that the last person standing has the tools and information at hand to run the business. At the very heart of this innovative yet simple infrastructure is a vibrant, service-oriented IT department. Yes, transforming an underperforming IT unit is a difficult task, but it's not rocket science. Success is possible for every business and governmental agency in the country. In fact, knowledge creation is the key to reviving the entire U.S. economy. It's a grassroots movement of the very best kind and is gaining speed in both large and small enterprises from coast to coast. *USBR*

ROBERT M. GREEN is a senior information technologist with more than 30 years of consulting experience with The Scotland Group Inc., a corporate turnaround management organization that has served more than 250 under-performing public and private companies. For information about the company, and to reach Mr. Green, visit robertg@scotlandgroup.com or call 949-673-7750.

most of these initiatives tend to fall far short of the mark. The reason is that traditional IT "fixes" strive, for the most part, simply to make a problematic department operate more efficiently. The real issue, however, is not lack of efficiency. Inefficiency, like other IT ills, is merely a symptom of deeper and fundamentally more serious problems.

ASSESSMENT AND TURNAROUND

Few, if any, organizations possess the expertise, experience and objectivity necessary to turn an ailing or intractable IT department into a knowledge creation unit. Outside help will be required for a limited period of time. The best consultants do not perform the work themselves, nor do they become embedded as permanent fixtures in the company. They simply outline a recommended course of action and offer guidance as the client organization carries it out. Assessment and turnaround methodology (ATM) is practical, pragmatic and implementable. Its methodology unfolds in the following series of stages:

1. Situation assessment stage – All organizational components are examined, from general to specific. Are management initiatives in place? Are they ranked? Is there a budget? Do written job descriptions exist for every position? Are they being used?