Down Under

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Practical Guidelines to Successful Implementations

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Business Process Maturity and Technology (IT)

It is interesting how these two topics are intricately interrelated and intertwined.

Imagine a large organization where one of the larger business units spends hundreds of millions of dollars a year on projects of varying sizes, from very large to small, in dollar terms. These are not IT projects and are projects managed on behalf of internal clients. The managing business unit, which you could regard as a shared service, went to tender and purchased a large well know ERP system. The system specifications were developed and provided to the successful tenderer and the organizations internal IT department; and system development commenced. The business unit was not heavily involved in the development activities or system testing. Multiple millions of dollars were spent on the development of the system.

The new system application was implemented. After 3 years of operation a new manager was employed. He commissioned an external review of the system because of business issues and staff (and clients) being unhappy with the system. What was found?

The business unit staff hated it. It was clumsy to navigate, use and did not meet the expectations of the users or clients. Staff started their own "sub-systems" using Microsoft Excel, as did the clients.

Reconciliations between the system and project managers' "sub-systems", the clients systems, and suppliers, were taking up to a month for large complex projects. Because of this additional workload, staff focused on just keeping things going and endeavoring to reconcile data from all over the place, and not anticipating potential budget variations or other surprises. When unbudgeted expenditure surprises did occur, they were usually large and by nature unexpected. This only helped to reinforce clients concerns and the need for duplicate client systems.

It was also discovered that the business unit processes were inadequate, inconsistent and duplicated.

So the choices available to the business unit were:

1. Fix the current application;

2. Start the development again using the ERP; or

3. Purchase an off the shelf fit for purpose application.

The IT department was very proud of their application and believed that if the business could just tell them what they wanted, it could be developed, users trained and then everyone would be happy. And they would be correct. Except…

The business unit had a low level of process (and business) maturity and was simply unable to specify their business requirements in sufficient detail to enable development. There was a high level of staff turnover, primarily because the system required a high dependence on contracted staff. Further, the in-house staff hated the system and resisted being trained in its use.

So the option 3 was selected. With both staff and client involvement in the selection process, taking account of functionality (fit for purpose), keeping the requirements simple, and assuring the staff of the system's user friendliness, commitment and key stakeholder buy-in was achieved.

The key points in this scenario are:

- IT and the business often have different perspectives on the same situation which can leads to tension between the two;
- No matter what the traditional approach to IT is, if it does not take account of the process maturity of staff and the 'emotions' involved in the business unit, no matter how good the IT solution, it simply will not work in practice;
- The external reviewer only needed to listen to the stakeholders, review the advantages of each option, review the risks of each option, obtain estimates of the likely costs of each option, and then marry this to the business process maturity level, and the best option became obvious.

Taking into account the maturity of the business and IT is critical to making business processes and their supporting system work in practice.

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