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## TECHNOLOGY

# IT Focus Must Change For New Technology To Succeed

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It is not difficult to see the positive impact computer technology has had on the way companies do business. However, over the last 30 years, computer technology implementation has essentially been limited to automating tasks that were once completed manually.

While automation efforts have reaped great rewards in general, there is an alarmingly high percentage of IT initiatives that have failed in recent years due to missed delivery dates, implementations that fall below expectations and projects that come in over budget. Stinging from the failures, we now find ourselves asking, "Have we expected too much from technology?"

Absolutely not! There is a lot more to be gained through technology, but for new IT initiatives to be successful, we need to change our focus away from doing business faster and more toward doing business better.

At this point in technology adoption, IT professionals have implemented most of the low-hanging technology fruit and have automated many general business functions. While insurance com-

panies are doing some business functions faster, the industry's combined ratio is still at an unacceptable level. We have yet to significantly improve the process itself.

The myriad of technologies available today allows for just that opportunity. Applications including CRM, collaborative tools, business intelligence, data mining, and virtually anything Internet-based offer

ment.

Unfortunately, there is a downside associated with the new potential benefits from technology. Applying new technologies to the surface of a problem—to an existing process—is no longer going to deliver the same ROI to which we have become so accustomed with technology implementation. In fact, it is questionable whether this approach has

burden often falls on IT to take the lead in initiating the change management effort. This change in focus requires IT professionals to keep their eyes more on the business objectives and desired results, while continuing the attention to good, old-fashioned technology implementation and management. But, IT professionals alone cannot drive this change. They need the support and participation of all stakeholders, from business management to users to outside vendors and service providers.

A good change team and a difficult, but critical, balance between business objectives and technology is the recipe for success.

If we ask ourselves why so many IT initiatives have failed in recent years, the answer can be found, not in the failure of the new technology, but in the failure of effective "change management" and a commitment to change the business process. While IT may lead the effort, every stakeholder in the business process must become an active force in the change management effort.

Business users can no longer sit on the sidelines

A change management team might consist of:

- **Business managers**, who determine the business objectives and ensure that the team never loses focus on the stated objectives, avoiding the pitfalls of being sidetracked by project details.
- **Subject matter experts and users**, who understand every area of a business process that the technology will need to cover.
- **Technology experts (internal and external)**, who are responsible for recommending technology solutions, ensuring the organization has the correct technical requirements, testing and deploying the technology, and training business users to utilize it.

the chance to significantly improve the way business is done, as well as to break down the traditional business process walls.

We're left with a basic question, "How can I leverage technology to create value in my business?" The answer is to recast the technology project as a "change" project focused on fundamental business improve-

ment. This 'paving the cow path' approach may account for the increased frequency of IT initiative failures in recent years. To gain the benefits from today's technology, we need to change the process, not enable the process by applying new technologies.

Due to the technological nature of the project, the

and wait for the new technology to make their lives better. They must become active in defining the ideal process and effectively communicating their needs as well as be accountable for the business results. When outside vendors or service providers are part of the proposed solution, they too need to be on the team, acting as a virtual extension of the organization.

The net of it all is that IT initiatives don't fail—the team fails to effectively define and implement the change required to achieve business improvement.

For every change management project, there are three necessary components to achieve successful results—process, technology and people.

The business process must be redesigned to transform business results (i.e., how to get from Point A to Point B).

Thorough, well-designed technology must support the new process and all process stakeholders

An effective “people-foc-

used” plan that includes organizational communications, training, support and even new incentives under the new process, must be put in place.

Each of these components cannot stand alone, but must work cooperatively with the others, as they are all of equal importance to success.

It's also important to invest in a well-balanced, well-coordinated team. Make sure that each member of the team: (1) understands the desired business results, (2) has specific skills that will help attain the objectives, and (3) is an interested stakeholder in the process.

Before starting a change management project, it is important that the organization realizes it will measure its success or failure by how well the project meets the stated business goals. The change team must determine what are attainable, challenging, and reasonable business objectives.

For example, hoping to triple business revenue every three months is not typi-

cally realistic. However, improving employee or customer satisfaction, attracting new customers, and entering new markets are all reasonable and measurable goals.

To “spread the gospel” of the business goal and ensure continued project support and focus, it is important that a strong, visible champion is chosen as the team leader. This individual will guide the project from start to finish and will weave the project objectives into every decision made from project conception and development to implementation.

More important, the champion will regularly conduct the “acid test” to determine how the team is doing against objectives and ensure that scope creep is kept to a minimum. Making the business objective the basis of every decision will keep the entire team focused on the end game, rather than focusing on constantly looming deadlines and other sources of stress and diversion.

It is important to continue to restate and reset ex-

pectations inside and outside the team. Effective and ongoing communications will keep projects' progress, intermediate results, budgets and timelines consistent with expectations. No one likes surprises, and poor communication can often lead to runaway expectation or lost interest and support for the project.

Support for the project is not a one-time event, but rather an ongoing effort to keep the original enthusiasm and commitment throughout the life of the project. In other words, the project needs to be continually marketed throughout the organization.

When it comes to today's technologies and their application to business, technology itself is only 1/3 of the solution. People and processes make up the difference. With a corporate commitment to change and a stakeholder team focused on change management and the desired business results, the elusive promises of technology are indeed achievable. **NU**