

James A Robertson and Associates Effective Strategic Business Solutions



A moral and ethical dilemma -- systems that fail

Improve I.T. Conference 18 September 2008

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An industry characterized by failure



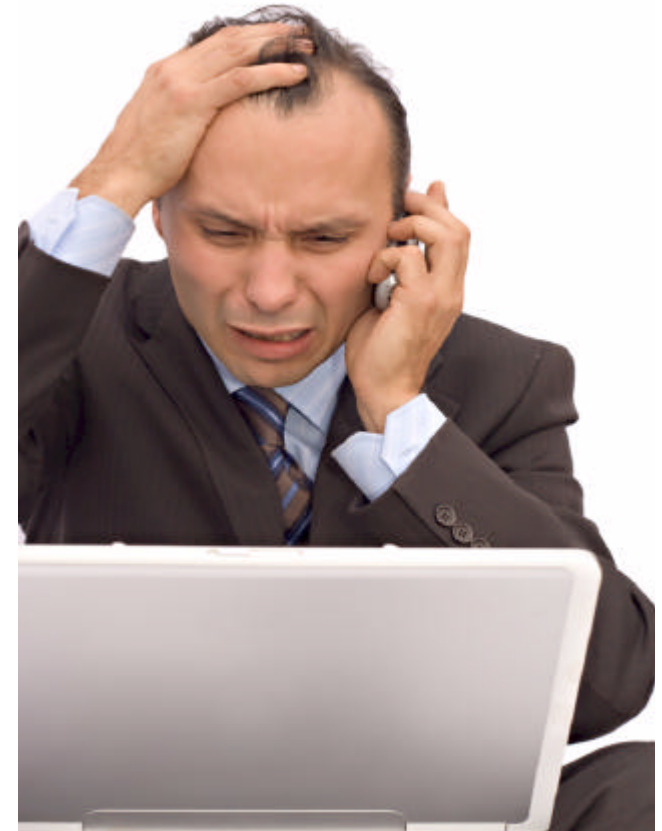
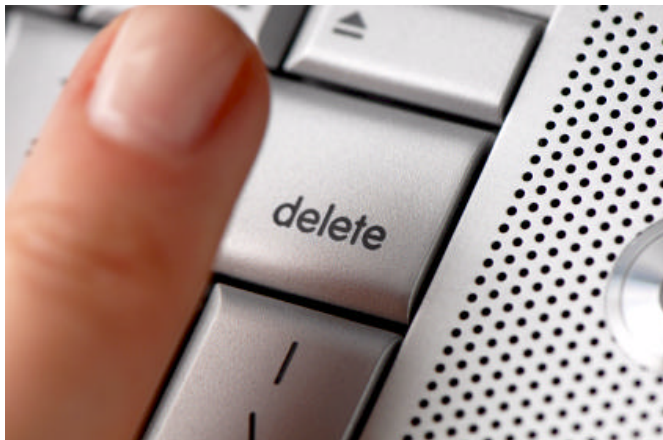
“19 out of 20 E.R.P. Implementations do NOT deliver what was promised”

Duncan McLeod

Extreme failures



1. Seven years and half a billion dollars -- international chemicals company
2. \$400 million -- multinational shoe corporation
3. Multinational entertainment giant -- \$878 million
4. Major supermarket chain -- \$195 million



“Creating an IT Watchdog for the Board by Assembling an I.T. Oversight Committee” by Professor Rossouw von Solms of Nelson Mandela Metropolitan University at the IT Governance and Strategy Summit

Pending disaster



1. "This [I.T.] is an area where boards of directors will be named in stockholder suits"
2. "Senior management is not engaged enough in strategic information technology decisions and situations that could put the company at risk."
3. "Information systems could cause the next outbreak of Enron-like corporate scandals."
4. "I.T. is the next corporate disaster waiting to happen"



"Creating an IT Watchdog for the Board by Assembling an I.T. Oversight Committee" presented to the I.T. Governance and Strategy Summit by Professor Rossouw von Solms of Nelson Mandela Metropolitan University quoting Richard Nolan of Harvard Business School in Harvard Business Review

Information technology project failure is at epidemic levels



1. **Seventy percent of I.T. investments fail TOTALLY when viewed from a strategic and commercial view point**
2. **Another twenty percent fail to fully satisfy the original business requirement**
3. ***"19 out of 20 E.R.P. implementations do not deliver "what was promised" McLeod***
4. **Ninety percent of strategic plans fail**
5. **Seventy percent of B.P.R. investments fail**
6. ***"Most organisations are not making better decisions than they did five years ago." Gartner***



There is a need for a new approach



Engineers do NOT design bridges to stand up



They design them NOT to fall down



Engineer against failure

The bridge parallel -- significant software failure should be front page news



Last year's software will ALWAYS run on this year's hardware
Forced failure of "old" software



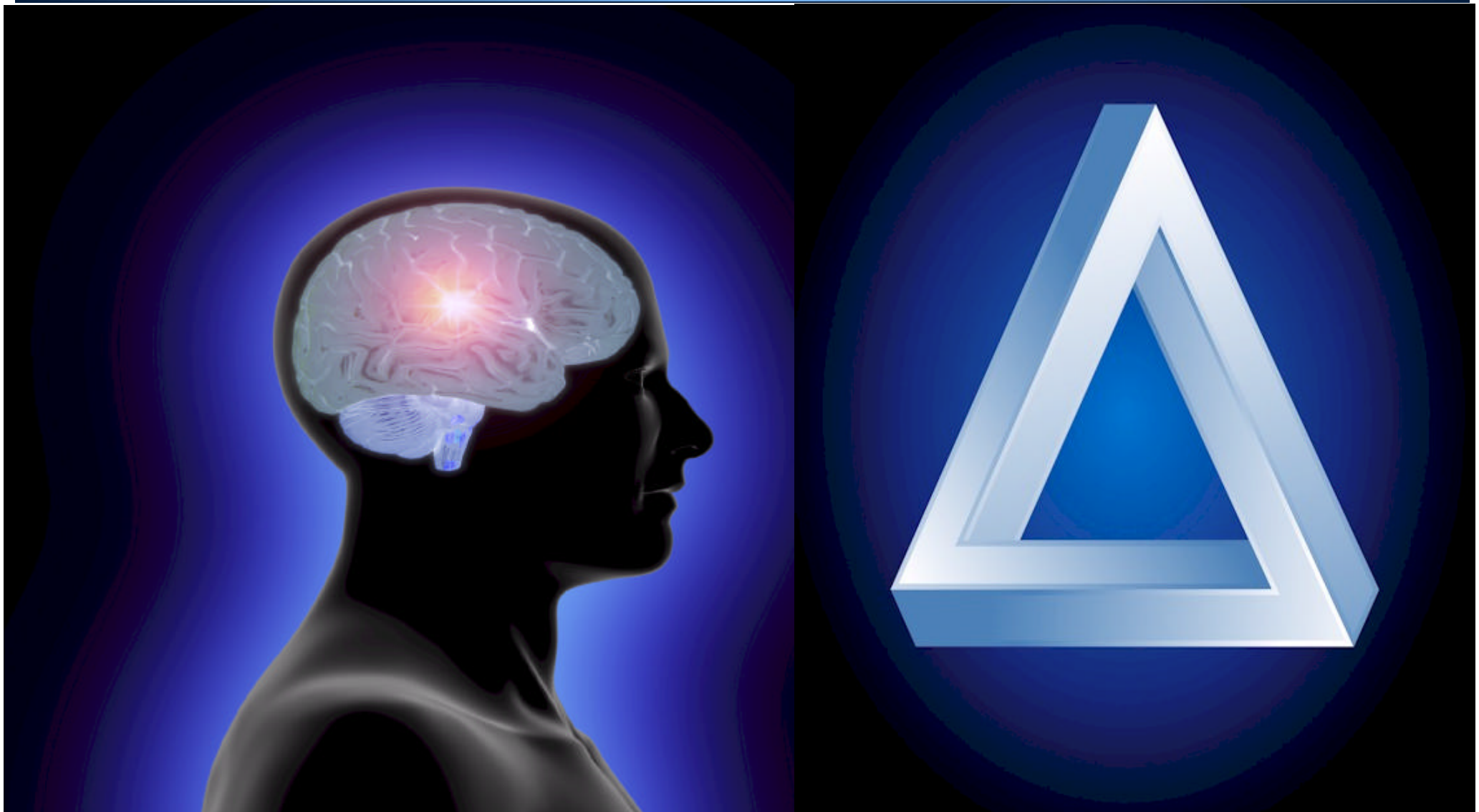
The right to maintain and repair -- exhaust pipes and computer software



Software as magic



What is NOT an engineering approach?



The content is the same -- always -- binary code



Positioning this presentation

Information technology can and should add value



Maximize creation of value and minimize consumption of value



1. Strategically valuable designs
2. Designed and constructed NOT to fail

What is strategy?



Strategy



Doing the right things

Tactics



Doing things right

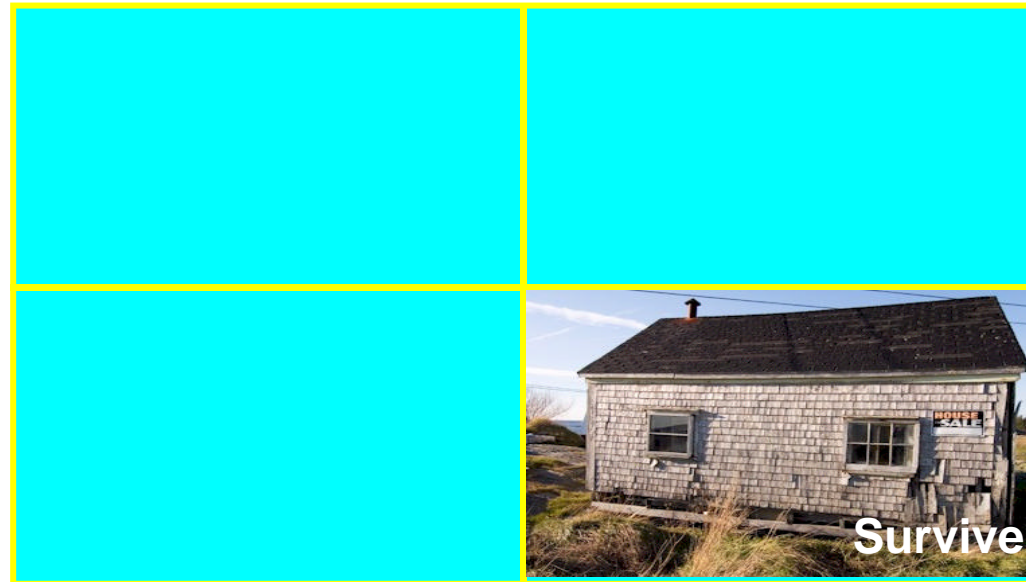
The relationship between strategy and tactics



The relationship between strategy and tactics



Tactics -- things right

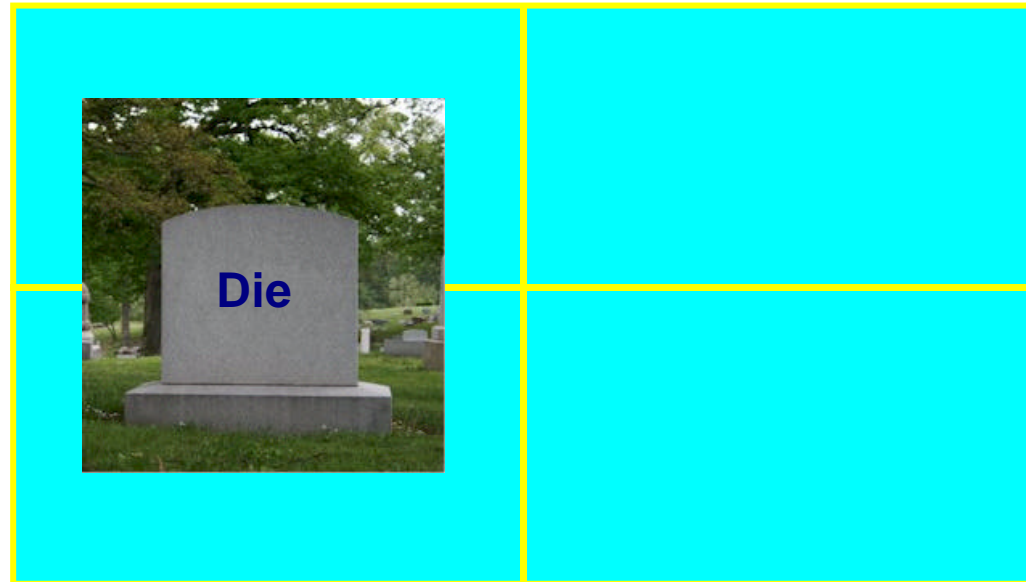


Strategy -- doing the right things

The relationship between strategy and tactics



Tactics -- things right



Strategy -- doing the right things

The relationship between strategy and tactics



Tactics -- things right



Strategy -- doing the right things

The relationship between strategy and tactics



Tactics -- things right



Strategy -- doing the right things

What is strategy?



The essence of why an organization exists and how it thrives

Strategic application of I.T.



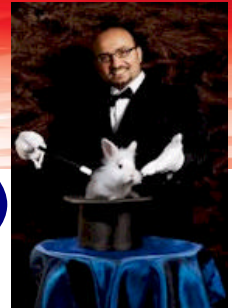
Invest in software that is applied by the organization to enable it to thrive

Critical factors to manage to prevent failure



65%

1. Information technology mythology (30%)
2. Lack of executive custody and inappropriate policies (20%)
3. Lack of strategic alignment (15%)
4. Lack of an engineering approach (12%)
5. Poor data engineering (10%)
6. People / soft issues (8%)
7. Technology issues (5%)



Remember that technology is value inert



Is maintaining individual systems practical?



A critical ethical problem



I.T. people who lie

Time for tough customers



An attorney on the project team

Time for a peer reviewed and moderated professional body



1. Voluntarily established
2. Statutory underpinning
3. Licence to practice
4. Professional indemnity insurance
5. Like engineers, doctors, lawyers, accountants, etc



Engineering Council of South Africa



This is to certify that *James Alexander Robertson*

is registered as *Professional Engineer*
in terms of the Engineering Profession Act, 2000
(Act No. 46 of 2000)

Date *18 July 2002*

Registration Number *20020147*

R. Vulliamy
President

[Signature]
Chief Executive Officer

Call to action



1. What are the (three) most important insights you gained from this presentation?
2. What are the (three) most important actions you propose arising from this presentation?
3. What is your single most significant long term goal arising from this presentation?

Write it down

If you gain an insight into something new and do not take some action within 48 hours the chances are you never will

Justin Cohen citing Bill Gates



Acknowledgement and dedication



I would like to acknowledge the contributions and inputs of all my clients, associates, staff and families without whom the work on which this presentation is based would not have been possible

Particularly my father and mother, Angus and Thelma, whose love and support for all my endeavours made it possible for me to gain this knowledge.

I also acknowledge Fiona and Ingrid for all they contributed and Sandra and Helene for their unreserved love and giving

This presentation is dedicated to The glory of the Eternal Creator who is the source and reason for our existence

Psalm 136:5 "To Him who by wisdom made the heavens, for His mercy endures forever;"



A moral and ethical dilemma -- systems that fail Questions?



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Finding the missing pieces of your I.T. and strategy puzzles