The Problem of IT Mythology and Mystique - Bringing IT Audit Down to Earth

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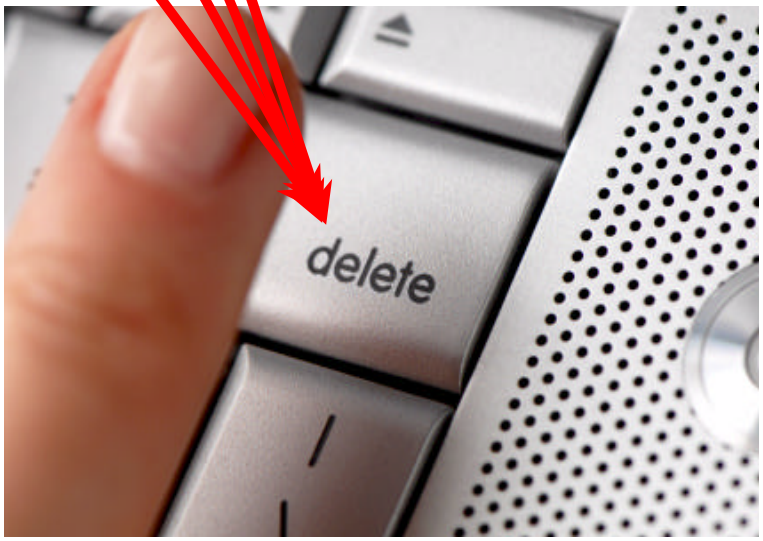
An industry characterized by failure

"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



Pending disaster

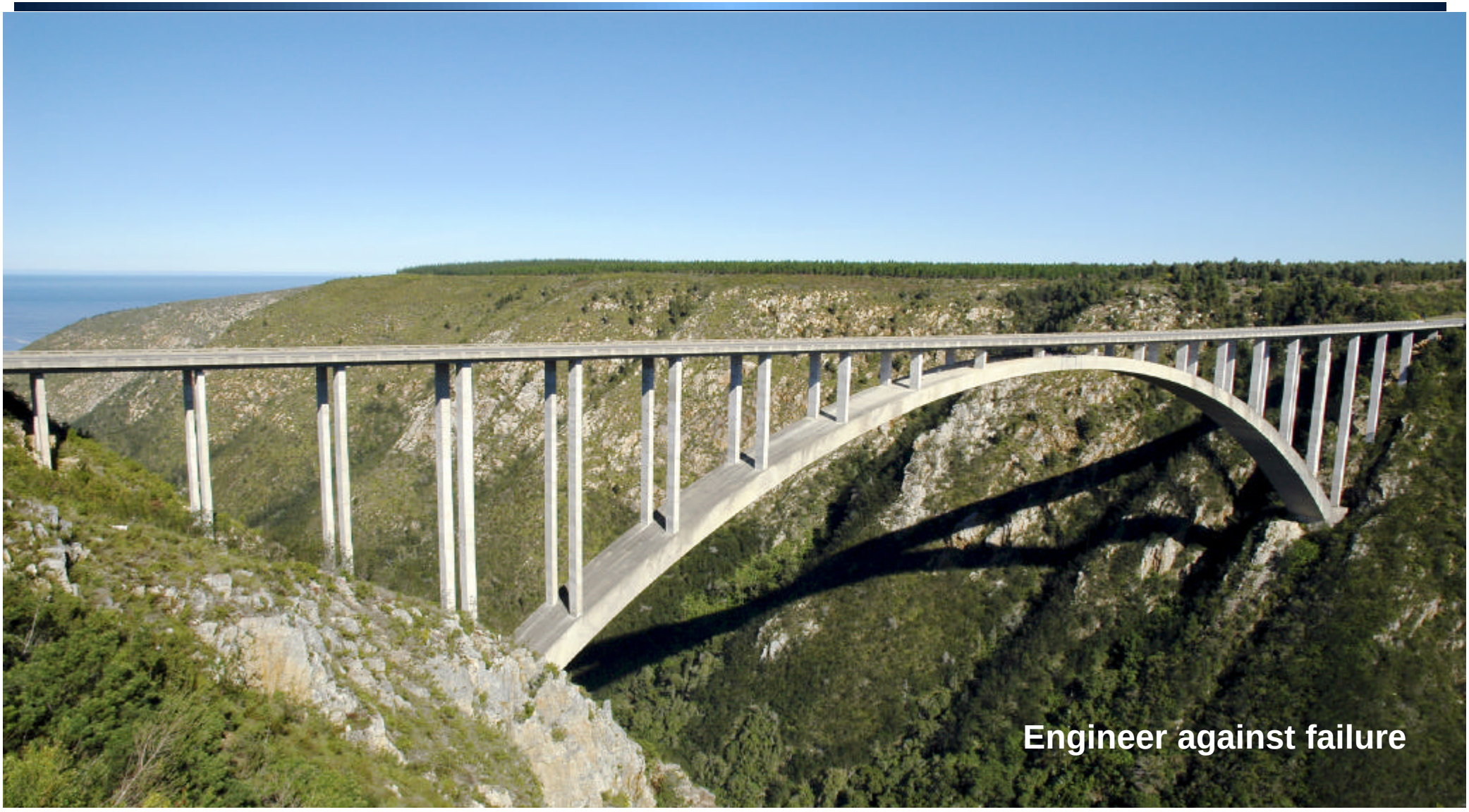
"I.T. is the next corporate disaster waiting to happen”

Pending epidemic

Is I.T. Audit delivering?

There is a need for a new approach

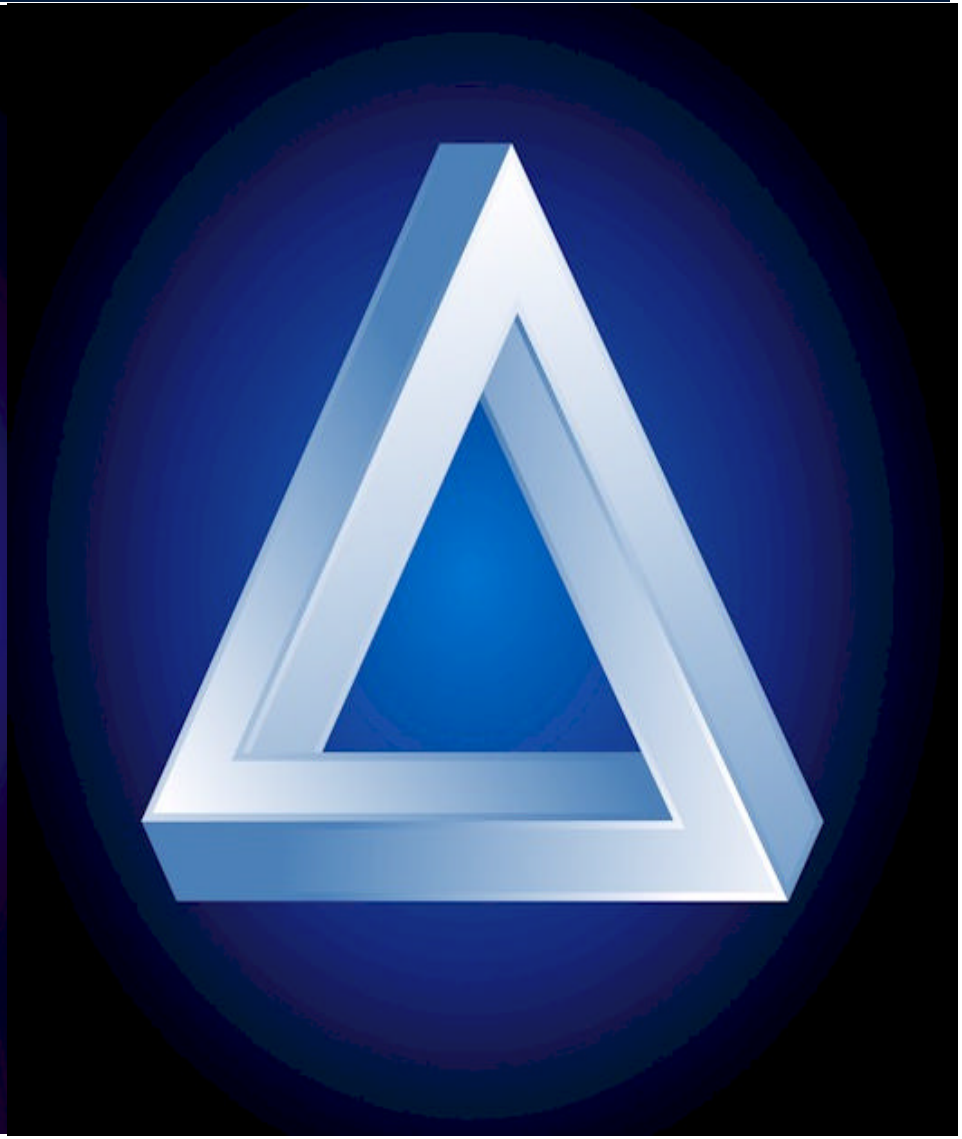
i
Report


Engineer against failure

Engineers do not design bridges to stand up, they design them

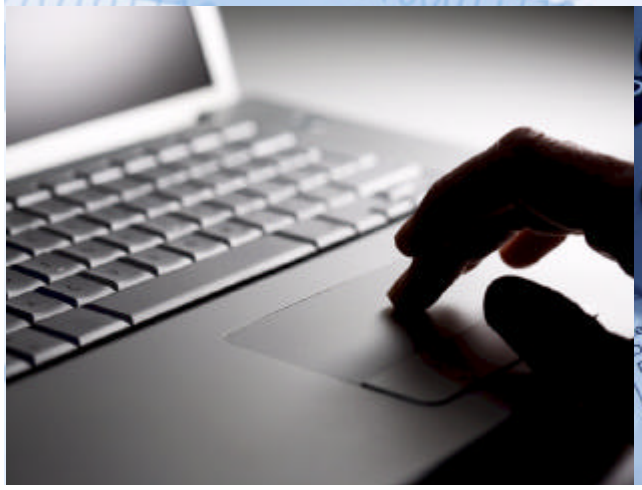
not to fall down...

What is NOT an engineering approach?



Software as magic

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



Positioning this presentation
Information technology can and should add value

What is strategy?

Doing the right things

Tactics

Doing things right

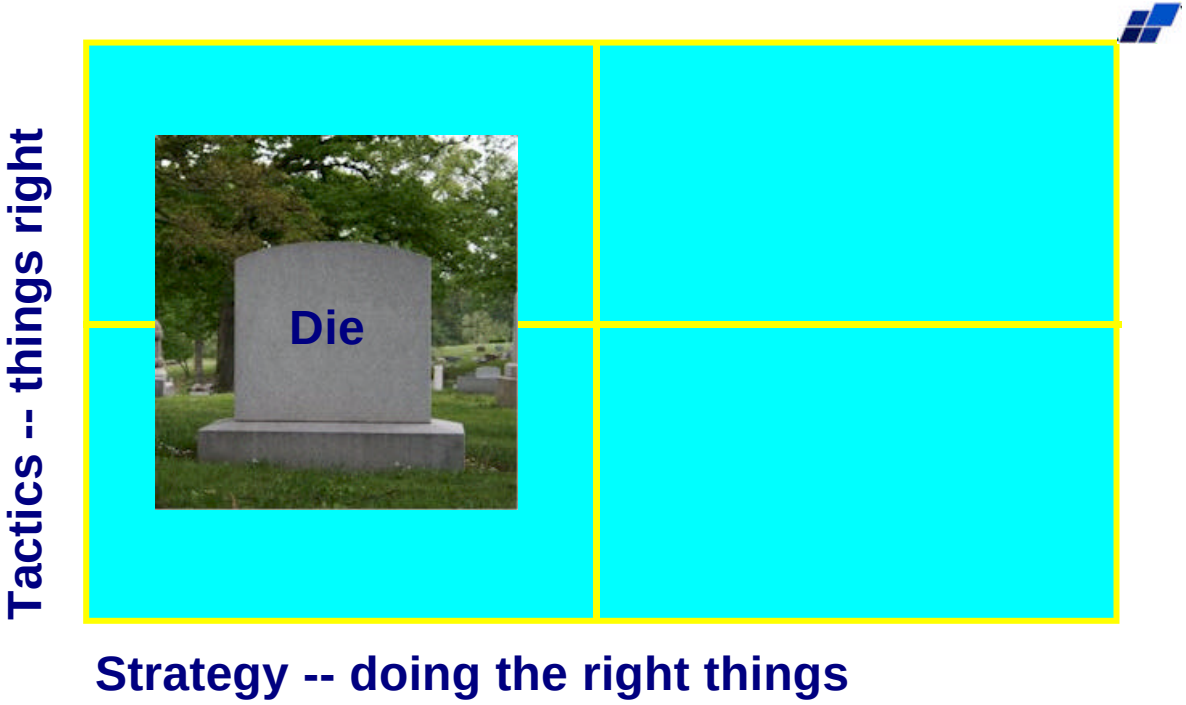
The relationship between strategy and tactics

The relationship between strategy and tactics

Tactics -- things right

Strategy -- doing the right things

The relationship between strategy and tactics



The relationship between strategy and tactics

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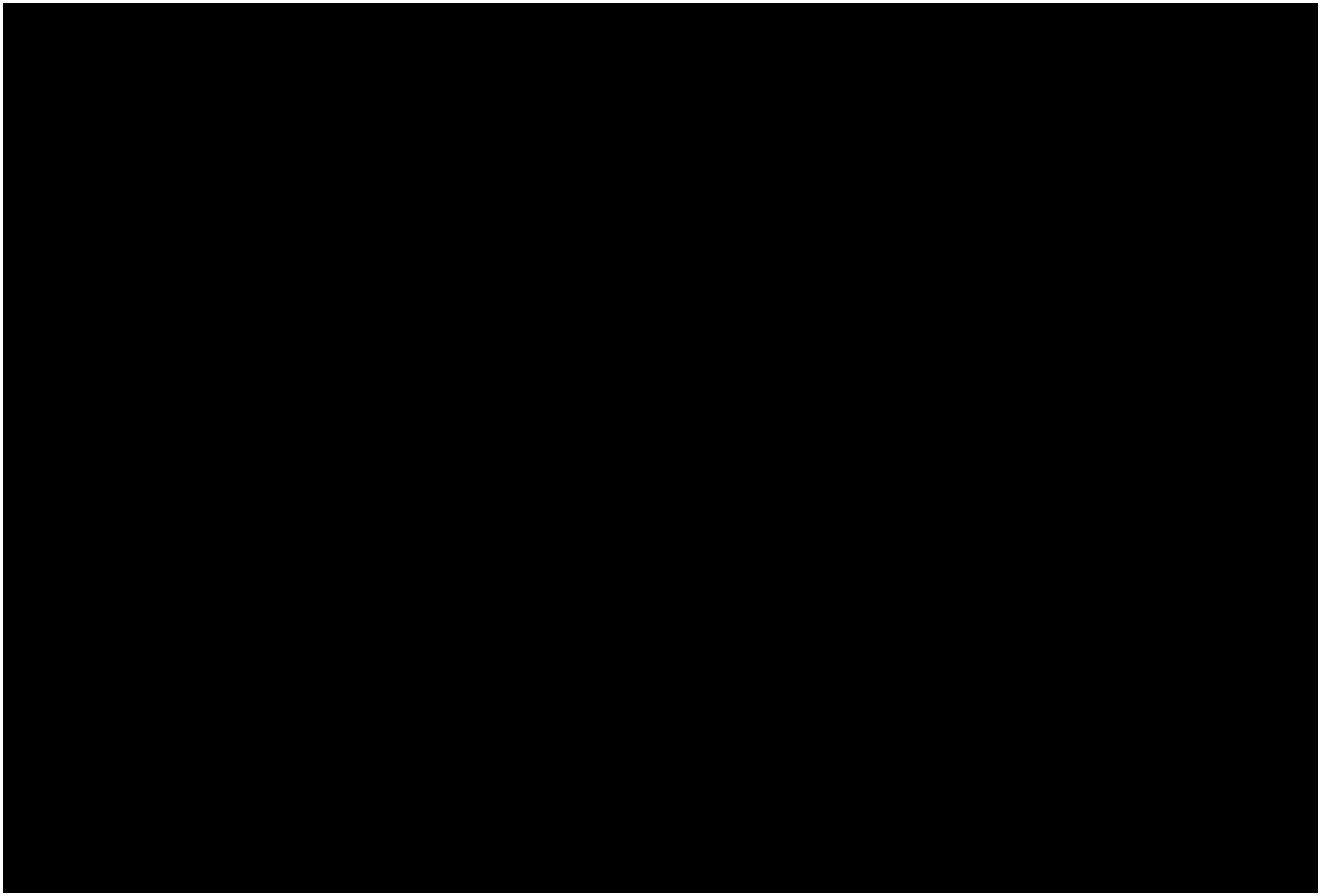
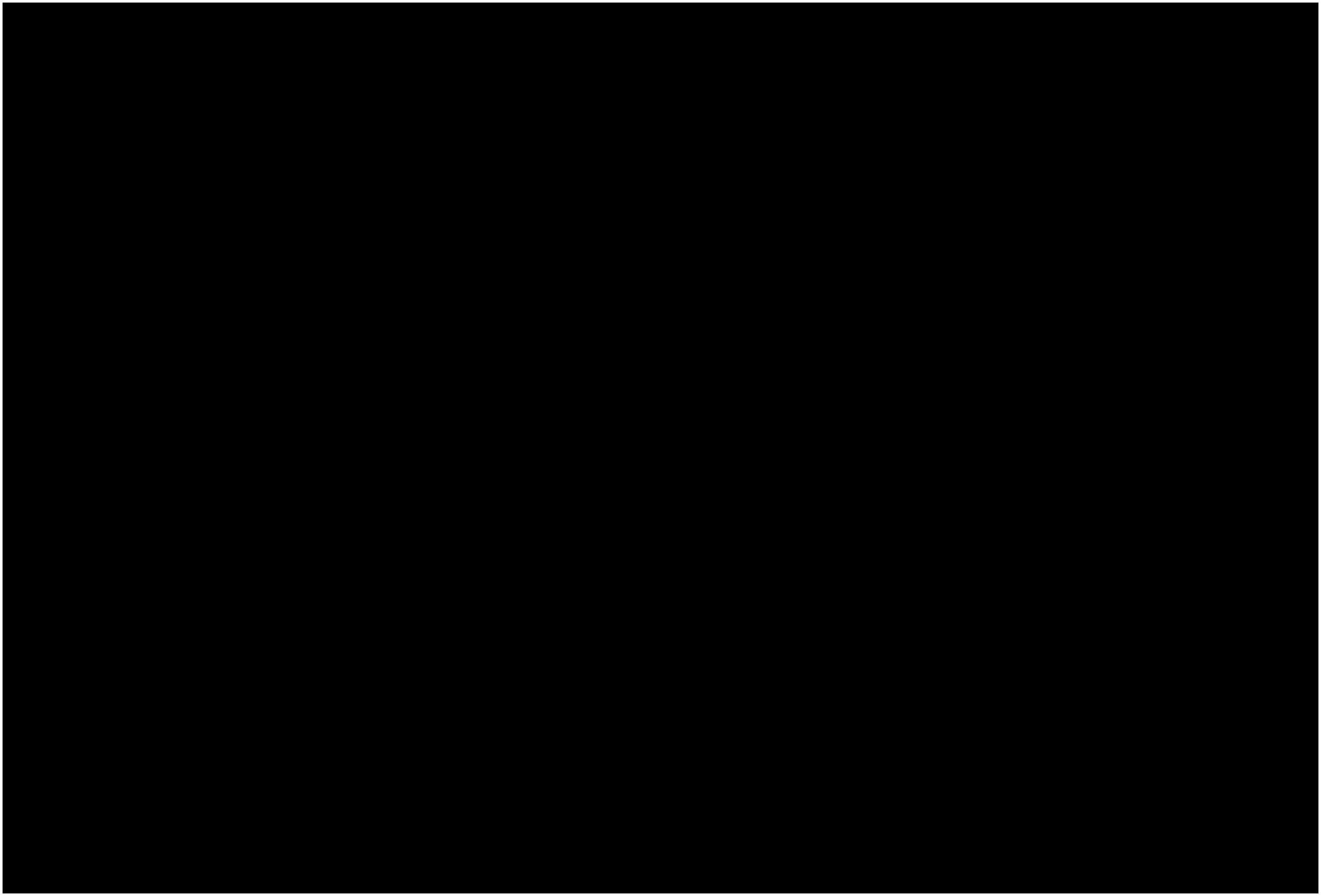


Critical factors to manage to prevent failure

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%)

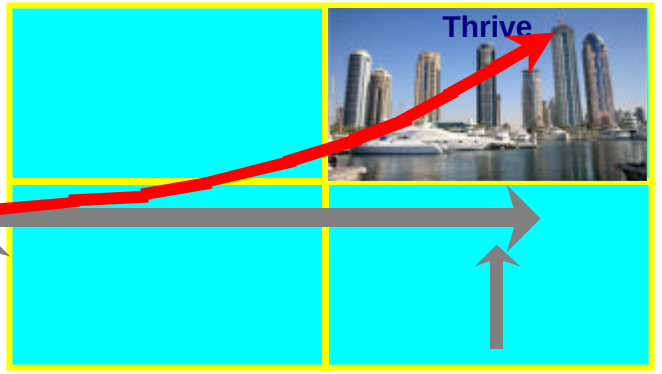
Remember that technology is value inert



Critical factors for success

59%

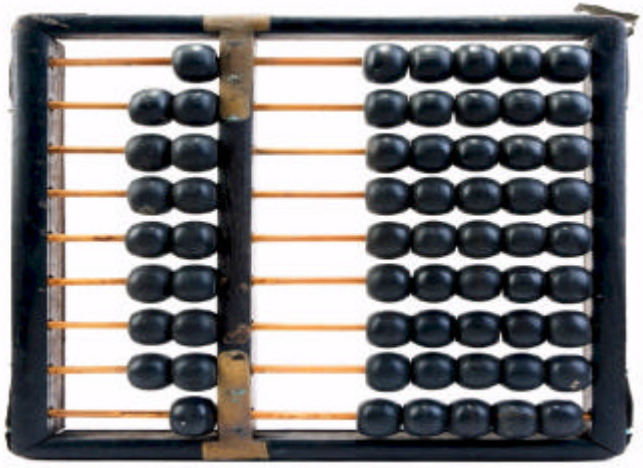
1. Executive Custody (25%)
2. Strategic Solution Architecture (18%)
3. Strategic Alignment (16%)
4. Business Integration and Optimization (14%)
5. Programme Schedule, Budget and Resource Management (12%)
6. Data Engineering (10%)
7. Technology Components (5%)



Recap

What is IT -- Really?

Back to basics



Advanced technology is not necessarily the answer

Over 30 years old and four years older
Still flying and only in a museum
Lo tech and hi tech

Clean up your data

Organize your data

From chaos to order

Why do we need IT security and audits?

1. Occasional crime and fraud
2. Set basic standards
3. Basic disciplines
4. ... ?

No big deal?

Are we using a sledge hammer to crack a nut?

Is the hammer bogged down in red tape?

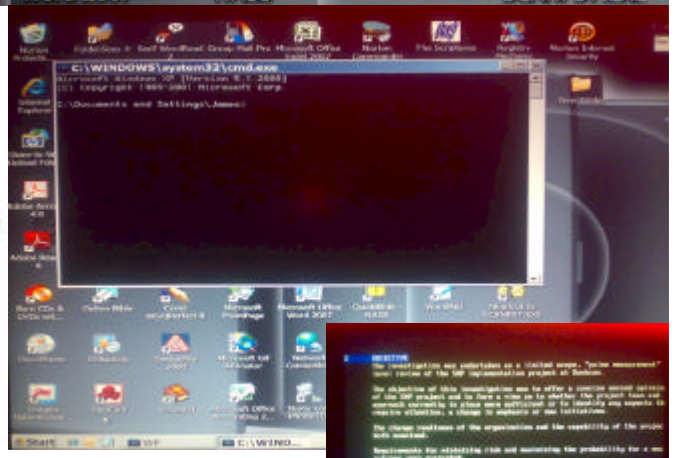
- Potential murder weapon
- Three signatures
- Password changed daily
- Only used under supervision of a senior manager

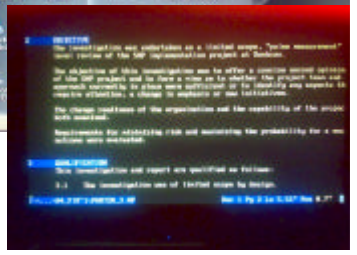
Or
Utility tool that most people own with no control

What is really needed?

1. Some practical policies
2. One page, no more than 7 to 10 points
3. Easily understood by all staff who use computers
4. Non-intrusive
5. Does NOT interfere with the business of the business
6. Non-I.T. non-audit people can understand the relevance and adopt as their own
7. I.T. is ALL about people!

Retain your OS and Office Suite and use the same machines for 6 years+

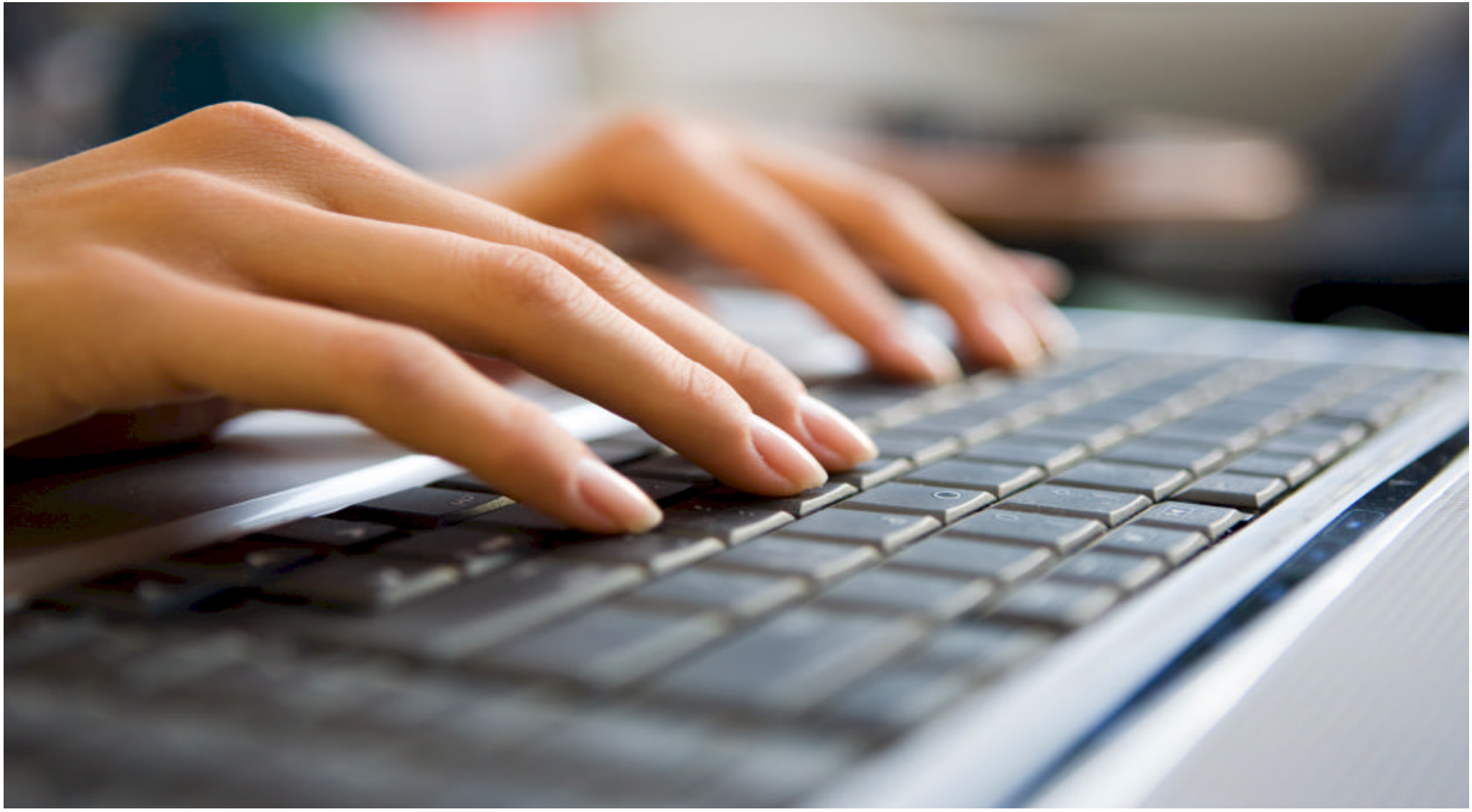




E.R.P. -- Invest for 20 years

Sustainable I.T. and E.R.P. support

Give people the tools



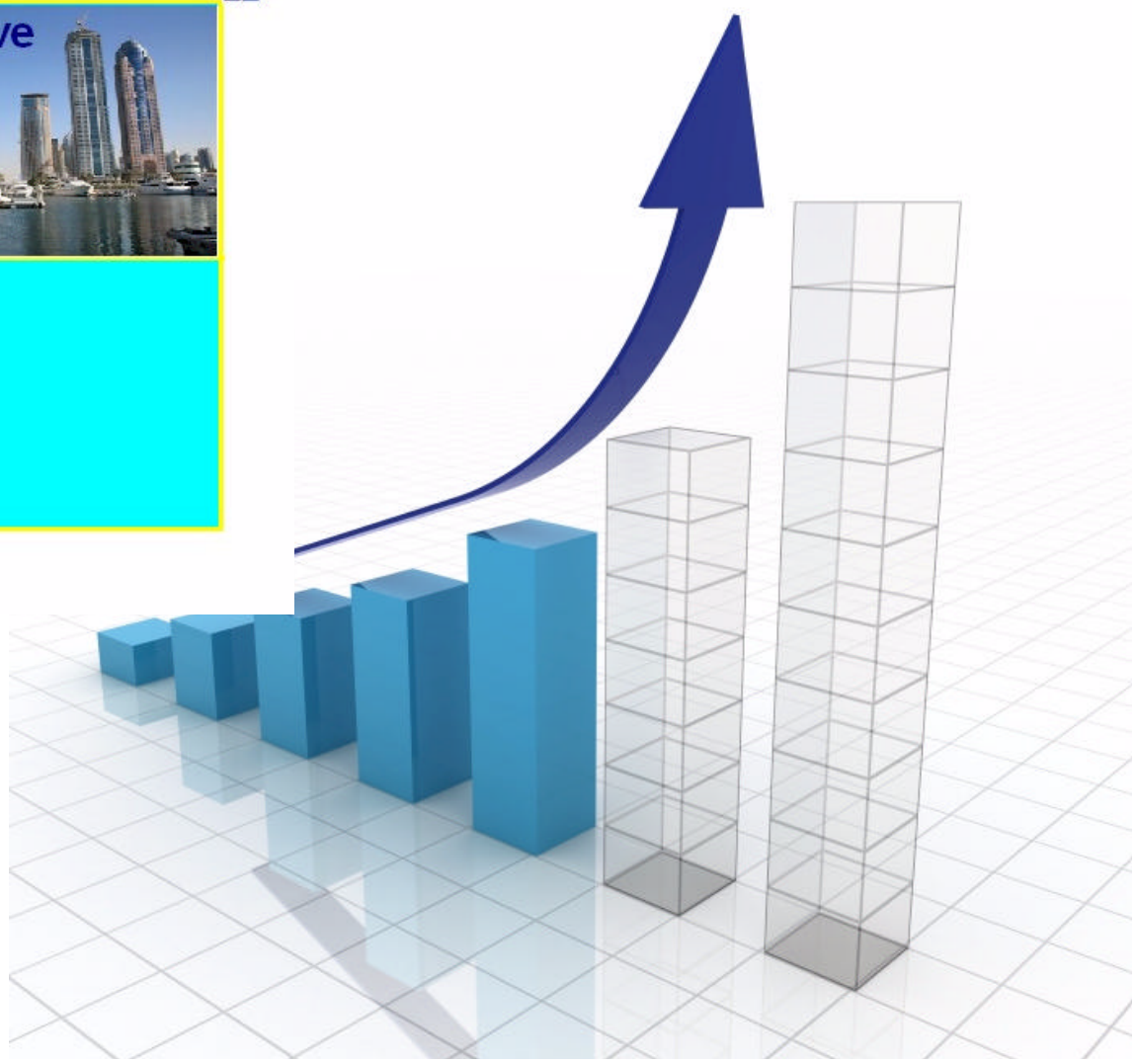
Train I.T. staff to delight customers

“the customer is NOT an interruption of your day the customer is the reason for your day”

Make your I.T. staff an integral part of your business

“boots in the mud”

Identify your core strategic drivers and then strengthen them



Align I.T. to support the core business

Business systems instead of I.T.

Executive custody -- OUR system

Leadership is 50% of success

Bringing IT Audit Down to Earth

1. I.T. operations are primarily an engineering and customer service function
2. Define and audit engineering standards
3. Define and audit customer service standards
4. Be practical -- enduring secret passwords with discipline -- do NOT change the lock every month
5. Short, practical, doable documents that people understand
6. Basic pragmatic measures, there are NO magicians out there
7. Educate users and executives and avoid mythology and jargon

Call to action

1. **What is your single most important insight from this presentation?**

2. **What is the single most practical action that you can take tomorrow to apply I.T. more effectively?**

New insight that does not result in action within 48 hours is wasted

Acknowledgement and dedication

Clients, associates and staff

Father and mother Angus and Thelma

Children Alexandra and Struan

Fiona, Ingrid, Sandra and Helene

To the glory of the Eternal Creator

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

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