

This article is part of a series that focuses on increasing productivity and quality in regulatory and related environments.

Help! We need a solution.

Shakespeare immortalized a truth when he penned, “Necessity is the mother of invention,” however, when invention isn’t necessary but takes place anyway, this profligate activity goes by the name of “reinventing the wheel”—a generally accepted waste of time. (This article could help you save millions of dollars if you are thinking about developing in-house software for your business—or are already doing it.)

Sue Charger, Executive VP of Operations at COKM (The Canadian Organization for Kamikaze Managers) is on the phone with her Director of IT, Bert Yesum: “Bert, we need a solution up here. Our operations are vital to COKM. We recruit talented people, try to pay them a competitive income, and then they get dispirited with this mess of paper and mindless routines that we work with. Then they eventually quit, or become dead wood. Maybe I’m being a bit melodramatic. But you get my point don’t you? We need to do something. We need a better computer system. What we’re working with is so piecemeal and patchwork, I sometimes think we’d be better off to just blow it up and create a new one. You’ve got a team of programmers in your department. Why don’t we spend some time outlining a new system? Then you could get one of your hot shots to write the program for it—next year at this time I’d be the happiest camper in this place if I’d been able to cut loose of this albatross. Whadyathink?”

The situation is obviously fictional, however, it describes the feeling of frustration that is common among managers in small to medium sized enterprises who clearly understand that they need to do something that will increase productivity—and job satisfaction.

How Bert Yesum responds to Sue Charger’s proposition would be interesting to hear. His answer, if it were to be supported by Sue and other stakeholders in the organization, could lead COKM on a path that would transform COKM so positively it might want to think about changing its name. On the other hand, Bert’s answer could absolutely ensure that COKM commits itself to a perilous future—and lives up to its name. The options, of course, could be less extreme, or not.

At Syntapa Technologies, we’ve seen it all. Our company implements enterprise wide system solutions in small to medium size organizations (regulatory bodies and related organizations). These

organizations are in the business of providing services that protect the public. They devise “programs” to meet the mandate of the organization: e.g., an investigative “program” would assess whether parties (individuals or organizations) regulated by the regulating organization are in compliance with their practice code of standards and ethics. These “programs” have mission-critical business processes that make them ideal candidates for significant productivity and quality gains through automation. Because their business processes are specific, these organizations routinely face a decision that would have them build a solution in-house, or possibly have the solution custom built by a third party software developer. However, another attractive alternative is challenging the “build in house,” and “custom build” options. This alternative sees the organization implementing commercially available off-the-shelf software (COTS) that has the flexibility in its design to adapt to the organization’s unique business processes.

If Bert’s answer is, “Yes—you tell me what you need and we’ll get our programming team on to it right away,” (or maybe he says, “We’ll get somebody else’s programming team working on it”) there are a number of reasonable precedents that might support his position. In the past, there often was no other solution, so the solution was custom built and became part of the organization’s infrastructure. A telltale sign? —a small army of IT staff that are run off their feet fighting fires and responding to new requests for whatever.

Just a few years ago the “custom build” option made sense and was a big step forward. Very few commercial off-the-shelf solutions (COTS) existed and those that did usually had been developed for a particular organization. Their use in other organizations required custom programming to meet the particular needs of the adopting organization. Often, the older COTS solutions employed non-standard, proprietary software and this was viewed as a problem in terms of downstream support being locked into a one-supplier relationship. Organizations often addressed this by buying expensive source code and then hiring the telltale small IT army to ensure continued long-term viability.

Early COTS solutions were also notoriously inflexible. They required the adopting organization to change their business practices and most organizations were understandably reluctant to do this. This was another driver for assembling internal resources to do the job. And once management made this decision, at least the insiders had the advantage of understanding user requirements; and they were always on-hand to resolve urgent real-time issues. In well-run operations, the intrepid IT team deployed a system that the organization could be deservedly proud of. Albeit, cost overruns were common, savvy managers learned how to control costs as well as risks. In less well-run operations, the managers likely went looking for another job.

So if Bert is still up for a challenge and is confident about the skills of his IT regulars, and loyal to them, he may be

very reluctant to look at a solution that could mean downsizing IT. However, if he is thinking this way, he is probably taking a view that is short-term and tactical versus long-term and strategic. Bert may also be unfamiliar with what is available in the marketplace, and in his defense, if he is relying on internal resources, the task of evaluating, acquiring, and integrating 3rd party software components is not for the faint of heart—it's a job for a specialist.

Alternatively though, Bert's response could have been conditioned by his being a veteran who is really on top of his game. He understands the disadvantage of committing resources to a non-core activity such as software development. Standardized off-the-shelf accounting systems are taken for granted today. No one would contemplate committing resources to development of a proprietary accounting system. His logic follows that if off-the-shelf systems exist that are able to handle Sue's "programs," like they do for back office accounting functions, it would be foolhardy to make an investment in this area. He knows the challenge of assembling and retaining the diverse IT talent and experience required to plan, construct and implement a unified systems solution that will meet his current and evolving business needs. The idea that this course of action would be cost-effective is not plausible in his mind. So Bert says to Sue that he'd like to look for a ready-made solution that has the flexibility to adapt to their circumstances.

So with a bit of sleuth work Bert may find what he's looking for. The

likelihood that off-the-shelf COTS software components do exist for Sue's applications is pretty high. The exciting opportunity for small and medium sized organizations is that the functionality that only large organizations could develop to meet their front office needs is becoming readily available. Consider that Microsoft alone last year invested over six billion in product development related specifically to small and medium size business systems.

However, with all of its advantages, COTS is a bit of a misnomer. It's not like installing Microsoft Office on your home computer. Bert's role is really to find the right IT resources to help him implement the software components that Sue needs, within a unified end-to-end enterprise solution. (After all, end-to-end solutions have been for some time the holy grail of business systems—but with recent technology developments it's becoming a reality for more and more organizations.) This requires a knowledgeable and experienced team that understands Sue's business and can prove that they do by producing a strategic business systems architectural plan that explains her requirements in detail and how they will be met—in plain, non-technical language. By the way, Sue should be prepared to pay for the plan.

Here are further thoughts or guidance for Bert's decision.

- COTS components may only be part of the solution since new technologies make complete IT outsourcing a practical reality. Bert may want to consider this radical option. It may be a practical solution

if COKM hasn't kept up with technology and all its systems are so outdated they need to be replaced, or it may be that there is not enough experience in the IT department. In this scenario, COTS components along with other best of breed applications for accounting, document management, and office productivity would be assembled and united to create a powerful, transformative solution for COKM.

- Sue may be looking for a particular solution that is focused on one operating area within the enterprise. However, Bert needs to have a broader view of the entire organization because new technologies, working with highly adaptable COTS products, will allow Bert to unify older (legacy) systems in the organization with new (COTS) systems. He has the unique opportunity to create a “unified end-to-end enterprise solution” that could transform the operations of COKM, saving millions of dollars. A “strategic business systems plan” would detail the systems “architecture” showing how the pieces would be put together.
- If he wants a COTS solution, he needs to be certain it is centered on a sound technology path, or it is likely to become obsolete.
- Wide availability of front office, “program” focused, COTS component-based software is only emerging, so Bert needs to select with care.
- He should look for IT and business systems architecture specialists who understand his business and are current with the most recent technology. Software vendors can become tied to old technology, because they are committed to supporting the old technology “legacy” systems of their clients. They won’t have the ability to rapidly take full advantage of new technology developments. Also be aware that it takes significant resources to keep COTS products current with today’s evolving technology and to produce ongoing product enhancements.
- Well-designed COTS components are designed for re-use, tailoring and configuration to meet client-specific needs. This is vital to achieve a significant ROI.
- Bert and Sue need to adopt the attitude that their business uses technology to do business. Their systems need to be real-time, secure, and be able to service internal and external users wherever they may be using a common web-browser.
- COKM’s biggest investment is likely in their people. Personal productivity is important and the familiarity and comfort that employees have with basic office software tools suggest that the new tools Bert deploys should look and feel like these tools, and they should use the impressive functionality of familiar office tools to produce letters, reports, schedules, etc.
- If Bert’s future IT partner focuses on a vertical market and really understands the type of business he is in, the partner should be able to bring valuable knowledge and experience in the form of best

practices to the project. (It's not just a case of automating business processes. Bert and Sue need to consider and select the best practices for their business processes and automate these best practice processes.)

- Bert can avoid surprises by taking advantage of the experience and rigorous project management methodologies that IT suppliers use to base their estimates. He should ask for a firm, fixed price contract.
- If Bert wants an end-to-end system solution, he should look for an implementation timeframe of three to six months. (An internal build-your-own application system initiative could stretch this timeframe into 2-3 years—so long that the business environment and requirements are likely to make the solution obsolete before it's implemented.)

The final advice for Bert is this: only invent out of necessity, that way you avoid wasting your efforts on re-inventing the wheel. Turn your creativity to innovation and transformative practices, using someone else's invention. This is the hallmark of enlightened management and the essence of entrepreneurship.

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