How to Keep IT on Your Side

by Jim Gabriel

Technology used to be the poor stepchild, often overlooked and under-invested. This has been especially true in organizations where the primary focus is product, sales and marketing. Although information technology (IT) is not a core competency of many industries, it is a critical business enabler in direct selling and can provide a distinct competitive advantage at all customer "touch point" areas.

It is important to know when your IT function has fallen behind the industry, is falling short of your expectations, or is not "on your side" in general. The road to recovery follows three phases—ambivalence, recognition and identification of the source of the problems.

Ambivalence—Why Should You Care?

In addition to the significant impact the infrastructure has on all your key business areas, the key question is: "Do you get sizable business value from your IT investment?" Information technology costs typically range from 2 percent to 3 percent of revenue, and in less optimized IT functions, this percentage can exceed 5 percent. Ambivalence will not only waste time and resources, but potentially will place your business in jeopardy. You can't ignore the warning signs.

Recognition—Are You 100 Percent Satisfied?

You may recognize some of these warning signs:

- Minor business rule changes require vendor assistance and may take weeks to complete.
- Picking, packing and shipping errors are occurring with greater frequency, resulting in higher cost and a decline in customer service.
- Call centers are swamped, resulting in long wait times and customer dissatisfaction.
- Month-end closing cycle takes longer—more than two days—and the monthly commission run requires up to a day.
- Items are frequently on backorder, disappointing customers and increasing shipping and handling costs.
- Service outages occur at month end, causing "blackouts" in the order entry process and access to Web information.
- Credits for overcharges, double charges and returned products are difficult to process and require several days to clean up.
- Slow systems response time causes frustration when entering orders and performing inquiries.
- Your office staff is over-worked and exhausted, and an "us" versus "them" attitude is building.

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+ Customers are finding mistakes before you do and are complaining about the inaccuracy of data and difficulty of systems use.

Identification of the Source of the Problems

Identifying the sources of the problems is the first step in correcting shortcomings. Typically, they fall into categories of organization, people, infrastructure and software. Some examples are:

Organization
+ IT is not linked to the business—IT does not participate in planning and business goal setting.
+ There is no governing body to set IT priorities.
+ The IT budget is over 3 percent of revenue.

People
+ The IT staff is more concerned about technology than customer service.
+ There is a high ratio of maintenance staff to developers.
+ User areas increase headcount to perform the work that systems should be doing.

Infrastructure
+ The networks and computer hardware are unreliable and frequently cause business interruptions.
+ Frequent recovery and reconstruction efforts take place.
+ During peak transaction volumes such as month end, the call center and order processing can barely keep up with transaction volume.

Software
+ Management decision-making is difficult because of incomplete, inaccurate and untimely information.
+ Systems changes become a bottleneck for new business initiatives.
+ Systems changes backlog reaches levels of one to two years.

The chart at the right represents a small sample of problems and potential solutions.

In the end, technology can be a great enabler where it matters most by a) providing tools for new and existing salespeople to grow their business and b) focusing on making it easy and enjoyable for the salesperson to conduct business.

You can focus on a few basic IT-related principles that will go a long way toward that goal:
+ Be involved and treat IT like any other major investment.
+ Make IT part of the business decision process.
+ Set high goals to achieve IT best practices and measure results. ✸

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PROBLEMS	POSSIBLE SOLUTIONS
Organization	
IT is not linked to the business.	Implement IT governance process. Develop business-oriented IT roadmap that is customer centric. Make CIO part of company's management committee. Look for opportunities to consolidate technologies onto a single platform (too many different operating systems, database technologies and languages are being supported).
There is no IT governing body.	
The IT budget is over 3 percent of revenue.	
People	
The IT staff is more concerned about technology than the business.	Overhaul IT skill sets. Assign your team along business functional lines. Move some IT staff into business functional areas. Make business know-how part of IT's career plan. Limit non-essential maintenance work to shift more people from maintenance to new development.
There is a high ratio of IT maintenance staff to new development staff.	
User areas increase headcount.	
Infrastructure	
Networks and computer hardware cause business interruptions.	Develop a transition plan to a scalable redundant infrastructure. Assess if IT is under-resourced, and review business processes for inefficiencies. Look to the Web for a better and more efficient way to accept orders and disseminate information about orders already accepted.
Frequent recovery and reconstruction efforts.	
Call center and order processing can barely keep up.	
Software	
Management decision-making is difficult.	Develop a data warehouse for critical information. Develop system replacement direction. Implement steering committee.
Systems changes become bottlenecked.	
Systems changes backlog reaches levels of one to two years.	