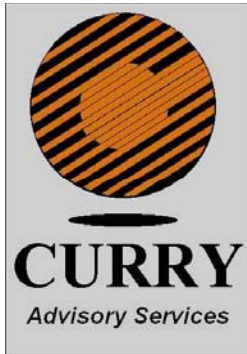


# Biggest Technology Mistakes CEO/CFOs Make

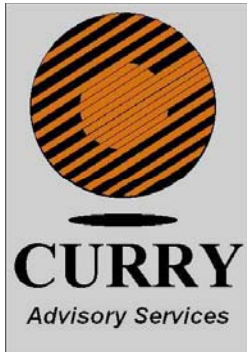
*“Driving Value Thru  
Better Technology”*



**I believe that:**

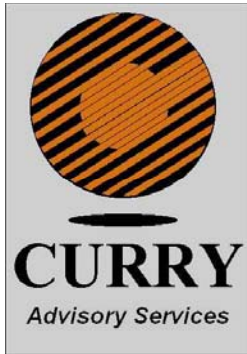
**Today Small & Medium  
Size Business (SMB) has  
an Unprecedented  
Opportunity to  
Leverage Technology**

**Why?**



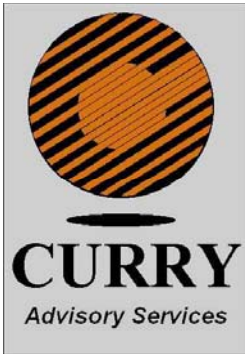
# **For Years SMBs have been in IT No-Man's Land**

- **Too Small for Sophisticated ERPs**
- **Too Large to keep their old processes, infrastructure, applications**
- **IT is hampering Growth**
- **Access to Information is difficult**
- **But SMB Technology has Matured**
  - **Let's take a quick glance at the History of Computing.**



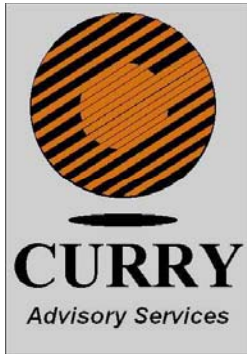
# Computing History

- Late 1951 the UNIVAC Computer
- 1960s Introduced the Mini-Computer
- 1970s Introduced the Personal Computer, Spreadsheets
- 1980s Internet (ISPs)
- 1990s Internet Usage Explodes
- 2000s Windows 2003 Server w/ AD, SaaS
- Outsourcing/Hosting and New Software Solutions Offer Real Value & Expertise To SMBs



# Hosting/Outsourcing

- **Hosting/Outsourcing involves:**
  - the transfer of the management and/or day-to-day execution of an entire business-function to an external service provider.
- **Advantages:**
  - Cost Control (Fixed)
  - Capacity Mgmt
  - Advanced Security
  - Infrastructure Expertise
  - Minimum Capital Expenditures
  - More Professional Management
  - Growth Facilitator
  - Built-in Disaster Recovery Plan
  - Fortune 500 Class Services at SMB cost
  - Continuous Expertise

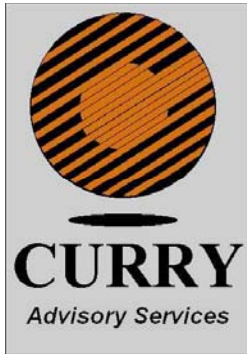


## Message:

**SMBs are now being offered infrastructure & software tools capable of driving true value through their IT operations.**

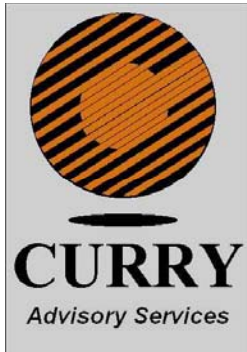
**But!**

**There's a problem.**



SMB Management is no more ready to implement the new technologies, be they infrastructure or software, than their LB brethren were forty years ago.

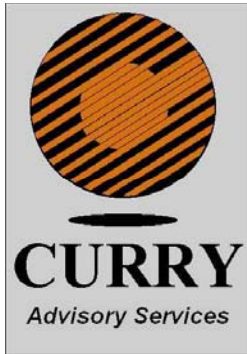
How do we know and what can we do about it?



Around thirty years ago studies began to appear showing that large IT projects failed to meet their original objectives 80% of the time.

Since then Technology has exploded exponentially: Hardware, software, tools, servers. Software development tools have made the job significantly easier and the best is yet to come!

Still:



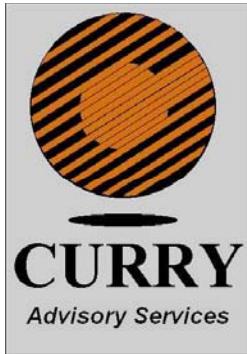
Today's Studies show that:

**8 out of 10 IT projects still fail  
to meet their original  
objectives!**

**Regardless of company size!**

Message: You can ill afford to  
do it wrong! But, over the  
next decade your company  
can ill afford to not leverage  
technology.

So where do we begin?



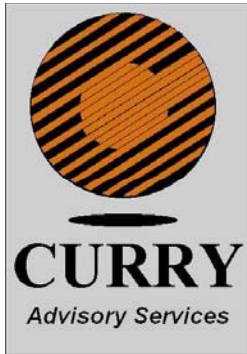
## **Begin with the Basics!**

**Let's discuss the 10 biggest mistakes I have seen SMB management make over the last two years.**

**(This is my list; others will have their list but this is mine.)**

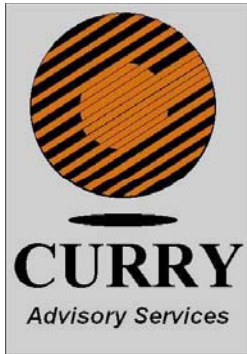
**2007 Actual Case Study:**

**An evaluation which uncovered every single mistake on my list.**



# Case Study

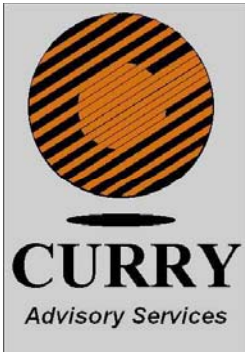
- **PEG Buys \$40mm Houston Oil Fields Services Manufacture (The Company)**
- **The Company has selected an ERP**
- **PEG thinks maybe someone should look at what they have selected**
- **1 Day Assessment (\$2,400 investment)**



# Case Study

- 1<sup>st</sup> Meeting: CEO:  
“I dread the day ...”  
“As added nothing but more costs”
- **[Mistake 1: Shunning Technology]**

**Don't Shun, Ignore, be intimidated by, or let any other emotion turn you away from the potential value of an ERP**



# Case Study

- **2<sup>nd</sup> Meeting: the IT Leader**

## **Tell me about you Background?**

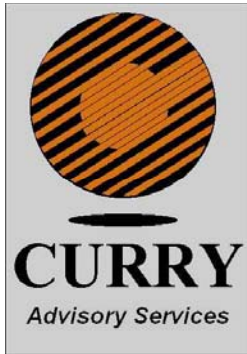
- Couple computer courses at a tech school and got a job building PCs in Dallas

- Wanted to move back to Houston so Dad hired him as his CIO.

## **How was the ERP selected?**

- Had a friend who sold ERP solutions and one salesman he liked.

- 2 good candidates. Picked the one he liked best (his friend).



# Case Study

## **[Mistake 2: No Formal Process]**

Use a formal process; do your research, Know your requirements, find several viable candidates

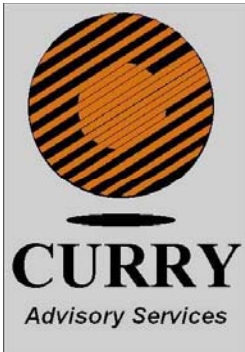
## **[Mistake 3: Closet Management]**

Don't go into the closet and make a decision in a vacuum. Get help from someone who knows the process, the selection process, get knowledge and experience on your side.

## **[Mistake 4: User Ownership]**

Don't just get User involvement – Get User Commitment! The Power Users should Own the project, not IT and not Management.

Define Ownership (Power Users), Sponsorship (management), and Facilitator (IT and Vendor)



# Case Study

- **3<sup>rd</sup> Meeting: the IT Staff:**

Son is IT Leader, Nephew is Server Support,  
Significant Employee's son is PC Support

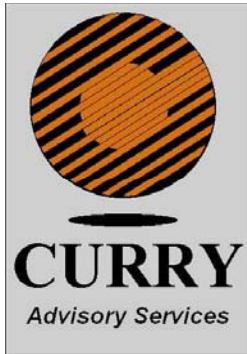
## **[Mistake 5: Technological Nepotism]**

You are **not** helping your company, yourself, or your kin by employing them outside their **skill set**.

This mistake demonstrated CEO's total lack of Commitment to leveraging IT.

**BTW:** They were running three mission critical applications which did not integrate, each operating on a different Server operating system (the Nephew wanted to learn other OS), located in different closets around the shop floor.

Would you believe that the Key Power Users washed their hands of the decision? They only 'Hoped' the ERP solution would meet their needs.

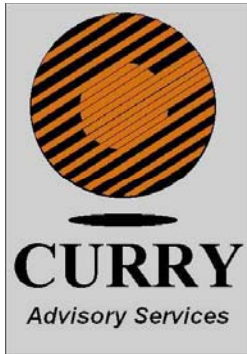


# Case Study

- **Next Day Reported to PEG**
  - Don't sign the ERP contract
  - Throw out all of your equipment
  - Find new positions for your IT Staff
  - Pitch it all and Start all over!  
(never recommended that before)

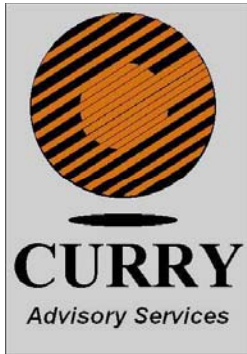
**I was finished but then came the call :**

**“The Board would like for you to come explain your report.”**



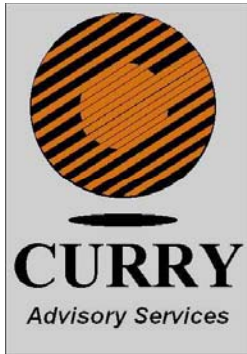
# Case Study

- **BUT “I selected the BEST ERP”**
- **Let’s Make a Deal**
  - Select Power Users (Selection Committee)
  - Do a One Day Demo of the ERP
  - If you can get 50% of the Users to agree, I’ll back off but we need a secret ballot so Users won’t feel threatened.
- **Long Story Made Short**
  - They didn’t get 50% (They didn’t 1 vote!)
  - I was engaged to help them select ERP
  - They ended up with 100% User agreement on the best solution
  - Win – Win: for the Users and the Company



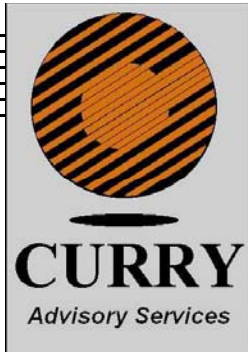
# Summary

- **Users Involvement**  
Committed – Not just involved  
Sponsor, Owner, Facilitator  
When is Right actually Wrong?
- **Buying the Sales Bull**  
Software Salesman versus  
Tech Support
- **Ignoring the Tech Specs**  
Don't skimp on the specs



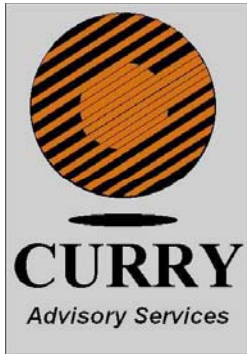
# Summary

- **Closet Management**
  - Don't make decisions in a vacuum
  - Use you advisors, check references, etc.
- **Not Formalizing the the Process**
  - the roles, plan, commitments
- **Failing to Manage Your Own Deliverables**
  - #1 out for your Tech Supplier



# Summary

- **Technological Nepotism**
  - Use kin where they have skills
- **Department of Geeks & Greeks**
  - How can management understand them much less manage them?
- **The Home Depot of IT**
  - Experience/expertise is critical  
If you don't have it, really have it, then get help, qualified help.
  - The Three Day Implementation



## Most of All

- **Don't Shy Away From Technology**
  - Leverage it
  - Make it a Differentiator

**Questions & Commits**