

Most Common IT Mistakes

Introduction

Keeping up with the latest IT advances is not a high priority for most business executives as they are focused on sales, cash management, and operations. Although IT may not be the #1 priority, unless a firm's IT maintains professional standards workers are unproductive and operations as well as the bottom-line will suffer.

This article details what company executives should expect and demand from their IT including:

- a) *What are the professional standards and minimum requirements?*
- b) *What percentage of the time are employees productive versus wasting time?*
- c) *How does the investment made in systems, technology, and tools compare to others?*
- d) *How can the latest advances help "leap frog" the competition?*

"Only 8% of IT organizations are considered highly aligned and highly effective by their business stakeholders."

–Bain Consulting

While it is easy to understand the ramifications of having operations and employees down due to power or Internet outages or dramatic events like a Hurricane; what can be difficult to quantify is the impact of the loss of productivity and efficiency caused by a slow or inefficient computing and systems environment.

BUT IT DOESN'T HAVE TO BE THIS WAY!!

The Most Common IT Mistakes are detailed below and are easily preventable with a little proactive planning and management.

Moreover, effective oversight and implementation of a ticketing and monitoring system ensures maximum productivity for employees and efficiency of the operations.

I. Mistake #1: IT Misalignment To the Business & To the Workforce

When IT is misaligned with the business the following challenges emerge:

1. Communication issues
2. Cost overruns
3. Employees working on non-priority tasks
4. Exponential rising costs of controls and governance
5. IT is inefficient and wasteful
6. Lack of teamwork, synchronous interaction, and updating to all whom need to be involved
7. Lagging visibility and inefficient reporting of activities, outcomes, and results
8. Loss of productivity
9. Process optimization and innovation are not realized
10. Quality suffers (rising cost of quality assurance and quality control)

The alignment of IT with business goals is perhaps one of the most critical challenges for IT operations. A recent survey of 760 executives by Accenture found that:

"IT is now expected to enable business growth, drive innovation and reduce the costs of doing business."

If IT is merely focused on "keeping the lights on" as opposed to driving efficiency, productivity, and process reengineering as needed then a company is way behind the curve. Without proper IT alignment business cannot maximize its operations, people or investments.

What You Are Missing With "On-The-Side IT Support"

What individual and small IT firms lack:

I. 24x7 Technical Support Help and Services Desk

II. **Training:** Often, training commitments prove a much better "upgrade" for businesses than a faster PC or more memory.

III. Proactive Maintenance

which includes: Patching, Security Updates from Microsoft, Archiving, Delete duplicates, and routinely speeding up individual computers and network speeds.

Unprofessional IT people can cause many issues such as they may or may not show up when promised, may charge too much for service and may frequently prove "stumped" by more difficult computer problems, network issues or proprietary application troubles.

Inefficiencies often are the result of ineffective processes which can more often than not be either automated or quickly resolved in minutes by trained professionals.

II. Mistake #2: Using the Wrong IT Personnel

Are the current IT people the right people for the job?

On the surface, using a friend, neighbor or relative in charge of IT may appear cheaper. However, here's the value of hiring a professional firm:

Independent IT Person	Professional Firm
<ul style="list-style-type: none"> X Knows how to install software, fix common computing errors 	<ul style="list-style-type: none"> ☑ Certified trained professionals with credentials that are up-to-date on the latest IT advances
<ul style="list-style-type: none"> X Lack of professional standards and certifications 	<ul style="list-style-type: none"> ☑ Platform support: IT firms invest in ticketing systems, network automation, security and compliance automation
<ul style="list-style-type: none"> X No automation or functional process expertise 	<ul style="list-style-type: none"> ☑ Service Level Agreements, Insurance, and Reporting
<ul style="list-style-type: none"> X Looks online when an issue arises that is new 	<ul style="list-style-type: none"> ☑ ITIL and Microsoft IO Best Practices
<ul style="list-style-type: none"> X Attention is on constantly fixing problems without solving root cause issues (i.e. "living in the moment"), planning for growth and future needs, 	<ul style="list-style-type: none"> ☑ Ticketing System and 24x7 Services Help Desk
<ul style="list-style-type: none"> X No roadmap and thus no direction which leads to higher costs and waste 	<ul style="list-style-type: none"> ☑ Proactive Maintenance, Alerts, Triggers, and Workflow
<ul style="list-style-type: none"> X Haphazard IT approach leads to employees losing faith in management and IT as well as then spending time fixing their own problems or they create band-aids and workarounds 	<ul style="list-style-type: none"> ☑ Document and Knowledge Management ☑ User Training
<ul style="list-style-type: none"> X Unexpected expenses 	<ul style="list-style-type: none"> ☑ ERP, CRM, Financial Management System and Customer Services Systems Support ☑ Budgeting and IT cost planning

Of course, hiring any IT person or company, without checking references and background, exposes a business to risk. An under-qualified IT employee can never deliver the expertise and breadth and depth of an established professional firm. While wasting precious dollars trying to repair old technology or allowing band-aid, stopgap, and break-fix IT is very common in small businesses; haphazard IT is more costly both monetarily and on all the people involved.

III. Mistake #3: Failure to Establish Baseline Policies and Procedures

Some firms do not need IT to create “Competitive Advantage;” however they do need to have all of their systems and tools up and running at all times, 100% secure and backed up, and users proactively managed to mitigate waste.

Depending on a companies goals, IT can take on either of the following mantras and still deliver Professional Standards and Service Excellence:

- ☑ Mantra #A: *IT Drives Cost-Efficiency*, or
- ☑ Mantra #B: **IT Drives Competitive Advantage.**

Furthermore, having established new hire, termination, upgrade, and maintenance procedures saves time, demonstrates professionalism to employees, and reduces operating costs.

According to McKinsey & Co., applying Lean IT principles can increase productivity by as much as 40%, while improving the quality and speed of execution.

IV. Mistake #4: Lack of IT Management Oversight

Not receiving the full value for invested and spent IT dollars usually occurs without effective IT oversight by CIO type professionals. Small businesses are constantly paying for lack of knowledge, hasty decisions, oversights, mistakes, choosing the wrong IT vendors and technology or even for not taking a pro-active approach to technology, security etc. in their business dealings and day-to-day activities.

Hiring IT Management is often overlooked until it is either critical, a crisis erupts, or heaven forbid, it is almost unsalvageable or too late to do anything, data is lost and puts the business at risk!

Hiring a part-time CIO or leveraging an outsourced IT provider on a regular basis can save significant dollars, reduce infrastructure costs, and mitigate a lot of heartache and pain.

Part-time CIOs bring the following benefits:

- a) Development of an IT Roadmap and Budget to avoid spending money and precious IT dollars on the wrong things.
- b) Constituency alignment among executives, department leaders and key employees about what IT can and will bring to operations.

V. Mistake #5: Failure to Require Measurement and Metrics

Requiring IT to report standard measurement and metrics is a must for any company that wants to ensure its receiving its monies worth for the compensation it's paying its employees.

Whether it's reporting key items such as Uptime and Connectivity Speeds or reporting on the effectiveness of IT itself with key metrics such as a) First Attempt Resolution and b) Mean Time to Resolution, measurement and metrics is the first step towards a better computing experience.

In a recent white paper conducted by IDC₃, organizations who implemented integrated IT management solutions to drive many of initiatives discussed in this paper gained a 433% return on their initial investment over a three year period.

VI. Mistake #6: Failure to Benchmark Performance

Like the old saying says:

"What doesn't get measured cannot be improved."

Benchmarking, whether against internal historical performance, or against competitors is step two towards ensuring efficient IT.

VII. Performance Issues: People

Businesses understand that even as the economy comes out of recession, it is likely to remain volatile for some time to come. In order to respond appropriately to changing market conditions, IT organizations will need to be flexible as well. There is a simple litmus test for gauging the performance of IT people (either internal or external):

Do the people "manage up?"

i.e. do the people communicate work plans, priorities, goals and objectives and then report on their activities and results?

If IT personnel "Manages Up" then gauging performance and the value of the investment should be readily straightforward, if not then immediate change is a must.

VIII. Performance Issues: Process

According to McKinsey & Co., applying Lean IT Principles can increase productivity by as much as 40%, while improving the quality and speed of execution.

The largest contributors to poor performance are:

- Lack of process understanding: employees need training or the processes need refinement; and
- Waste: The seven forms of waste are easily identified and eradicated with a proactive approach.

IX. Performance Issues: Systems & Tools

Today's leaders demand leverage of their technology and systems to remain competitive and to meet their business goals.

Options for leveraging technology and systems today include:

- ☑ Realizing the full value of your investment in your **Financial Management and Customer Service systems**
- ☑ Deployment of **on-demand environments** that lower the cost of assets
- ☑ **Enterprise 2.0 collaboration tools** that improve efficiency and effectiveness
- ☑ **Elimination of slow network & Internet connection speeds** (or cost-manage the under-delivered services by utility providers)
- ☑ **Implementation of Portals:** KMS (Knowledge Management Systems), Intranet/Extranet Portals (SharePoint or Google), or Document Management Solutions (DMS)

Business Continuity: Backup and Security Best Practices

Did you know?

- X There is a 50% chance an organization will go out of business immediately when critical data is lost.
- X Odds of business failure increase to 90% within two years when businesses lose critical data.
- X On average, data loss costs 19 days of productivity.

- according to the ICSA.

Recovering data from damaged disks is exponentially more expensive than ensuring you possess adequate backups, not to mention much more time consuming.

Common sources of data loss include:

- i. Data corruption
- ii. Disgruntled employees
- iii. Fires
- iv. Floods
- v. Hackers
- vi. Hard disk crashes
- vii. Natural disasters
- viii. Theft
- ix. Viruses

X. Mistake #10: Resource Constraints & Management

IT investments can be highly wasteful without effective implementation and proper oversight and maintenance.

Because of budget restraints, many small businesses fall into the lethal trap of hiring inexperienced personnel to handle IT. But it only takes a single mistake to lead to a catastrophic loss of company data, and starting over can be heartbreaking.

Moreover, large capital expenditures for IT infrastructure are not required to have robust IT capabilities. The Total Cost of Ownership (TCO) of systems is typically **30% to 50% less** when outsourced (including licensing, hardware support, software support, backup and recovery, hardware replacement, power consumption, and software version upgrades.)

Conclusion

By its nature, IT is confusing, expensive and forever-changing. Fortunately, it doesn't have to be a headache.

Small businesses can avoid and overcome the Most Common IT Mistakes by developing a service relationship with a qualified information technology partner or by hiring certified professionals.

Professional, dedicated technology consultants and partners bring the following benefits:

- I. Complement existing "quasi-support" staff
- II. Deliver cost-effective, proven solutions
- III. Fulfill specific technology needs
- IV. Help minimize disruptions
- V. Maintain Professional Certifications
- VI. Resolve problems faster

ABOUT SERENITY SYSTEMS

Serenity Systems Inc. (www.SerenitySystems.com) was founded to make IT simple for companies with enterprise systems (ERP, CRM, Microsoft Dynamics, SharePoint). Serenity Systems delivers IT managed services, network integration/infrastructure support, Microsoft Consulting, and performance improvement through the effective use and management of technology to small and medium size businesses throughout the United States. For more information, contact us at:

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