BRINGING ORDER TO CHAOS

How Kenway Consulting Helped a Client in IT Disarray Get Its Bearings, Get Ahead of Its Problems, and Start Acting Proactively Instead of Reactively to Help Maximize Its ROI

CLIENT PROFILE

Industry: Materials

Solution: IT Governance

Client: Building Materials Manufacturer & Distributor

A manufacturer of automotive parts split from its parent company of 30 years, which had been providing IT strategy, support and infrastructure. After the split, the new organization began to see a degradation in its technology platform. Critical system downtime increased, IT managers were overwhelmed with "firefighting," and the IT organization was being blamed for employee technology needs not being met. IT projects ran behind schedule and over budget, leaving the return on these investments unrecognized or, in some cases, not evaluated.

The CFO and CEO believed (at best) the IT organization should be more mature and efficient, or (at worst) the company could be exposed to risks its leaders were not even aware existed. Not sure where to start, they asked Kenway to recommend next steps on what could be done to make things better.

Kenway Guiding Principle:

To partner with our clients, applying best practices in concert with their culture, skills and methodologies and not force-fitting practices simply because they work elsewhere

> *"They were not sure which projects to work on first, how to properly budget for them, or how to pull the right people in."*

THE PROBLEM

Now living in this new world of having to manage IT on its own, the company began to experience technology challenges that impacted its ability to succeed as a business. Power and network outages at plants crippled manufacturing and shipping operations, leading to delays in order fulfillment and angry customers. Financial systems were buggy and highly manual, causing slow and error-prone invoicing. Sales teams were unable to easily pull together data for marketing materials needed for critical meetings. These very real impacts to the business were escalating.

The company knew it had many urgent problems, but it lacked the experience and skill sets to manage through them. Leaders were not sure which projects to work on first, how to properly budget for them, or how to pull in the right people to get the project completed on time. They kept going over budget and producing minimal return on investment, with things continuing to spiral.

WHAT IS IT GOVERNANCE?

- IT Governance is the decision rights and accountability framework to encourage the best use of scarce IT resources.
- IT Governance is commonly grouped into five domains: Strategic Alignment, Performance Management, Resource Management, Risk Management, and Value Delivery.
- "IT Governance is the most important factor in generating business value from IT." – *Peter Weill & Jeanne Ross, Harvard Business Review Press*
- "High performing companies generate return on IT investments up to 40% greater than their competitors." – *Harvard Business School*

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COMMON IT CHALLENGES

Challenge 1:

Firefighting is common among IT staff. Isolated, bottom-up initiatives to resolve operational issues such as system downtime or common user troubleshooting often must be the focus, leaving little room for strategic initiatives to move the business forward.

Challenge 2:

IT investment decisions are somewhat random, rather than coordinated and aligned to corporate goals and objectives. Funding given to individuals and groups with weak central controls and lack of structured initiatives leads to projects that deliver low return for the business or get cancelled.

Challenge 3:

Minimal to **no strategic planning** takes place. This lack of alignment between IT strategic planning and business strategic planning leads to an IT platform that cannot support the business as it grows.

Challenge 4:

No PMO or IT project delivery competency center exists. Projects are managed by IT managers or senior software engineers who are often not able to optimally manage the projects, leading to low quality, missed deadlines, or budget overruns.

Challenge 5:

Skilled, tenured resources are stuck in dead-end jobs due to **lack of adequate resource planning**, coaching, and performance management, often leading to high turnover.

Challenge 6:

IT managers are **jacks of all trades** (resource manager, project manager, technology specialist, strategist), leading to an inability to specialize and build expertise.

Challenge 7:

Weak **IT resiliency strategy** and controls makes it painful to transition to a fully remote workforce when needed (e.g., the COVID-19 crisis).

Challenge 8:

IT service level agreements with end users and vendors do not exist or are regularly not met, leading to an increase in downtime.

Challenge 9:

IT projects are regularly **over budget** and / or behind schedule.

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WHAT WE DELIVERED

Based on the initial conversations with management, Kenway's recommendation was to start with an IT assessment. This is often the best approach when the client can't articulate the problem statement themselves or, when the problems are so broad it's hard to hone in on what to do first. Both were the case for this specific scenario.

Using a three-phased approach, Kenway kicked off a comprehensive IT Health Assessment to synthesize the company's IT and business problems into common themes and key issues, and confirm that these IT struggles were, in fact, the cause of the company's pain.

The approach included:

CONDUCT STAKEHOLDER INTERVIEWS

Kenway scheduled and conducted candid sessions with individuals and groups of key employees to understand the current state, and identify common themes and pain points.

PERFORM GAP ANALYSIS

With the data collected in those interviews, Kenway synthesized the sound bites into common themes, pain points, and opportunities for improvement, and condensed these findings into an executive-level summary.

CREATE IT ROADMAP OR BUBBLE CHART

Based on these results, Kenway prepared a list of potential IT projects and investments that would help improve the overall functionality of the IT platform. They collaborated with business and IT stakeholders to gather additional insights in order to assign effort and impact scores to prioritize each project. Kenway then organized the details of each of the initiatives on a bubble chart or roadmap to ensure that the information was consumable, could be used to align employees on IT's goals and objectives, and supported the strategic decisions needed to start moving forward.
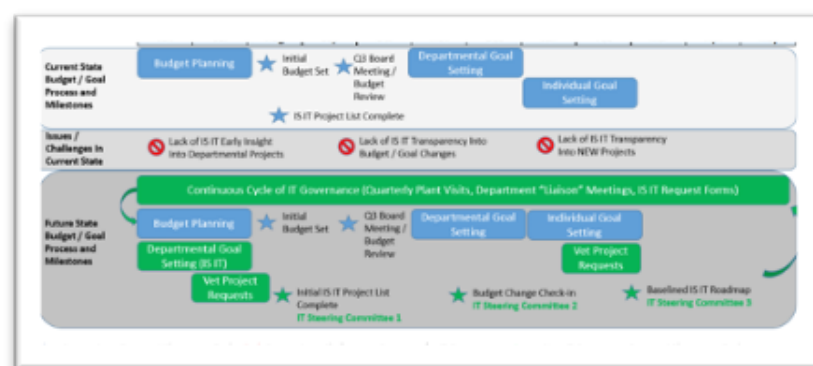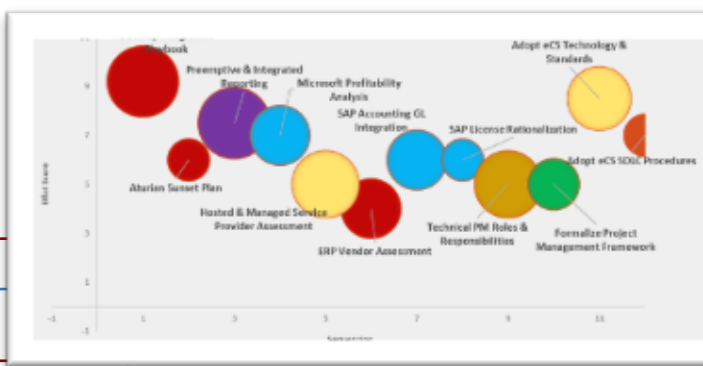
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THE RESULT

Based on the roadmap Kenway provided, the company began to enact change. The low cost / high value recommendations were implemented, and considerable improvement in systems uptime was seen. This allowed IT managers and staff to stop "firefighting," and, instead, gave them the time and resources needed to start thinking and acting strategically.

In the months following the assessment, the organization was able to continue to focus on the strategic roadmap which led to additional changes:

▸ Commoditized IT functions such as the help desk, network administration, and server operations were outsourced, allowing salaried IT employees and managers to focus on targeted and strategic initiatives.
▸ As a result of these outsourced managed services, critical system uptime improved by more than 100% and overall employee satisfaction with IT increased.
▸ A Strategic IT Roadmap was created and approved by the board of directors, providing IT and business employees with clarity and alignment on company goals and objectives.
▸ IT project management standards and practices were put in place. A centralized IT project docket was published in a shared location, and projects were held to minimum standards for health / status reporting.

HOW KENWAY CAN HELP

Kenway conducts IT Strategy Assessments and implements IT Governance Frameworks for medium to large organizations across industries, enabling companies to do more with scarce resources and maximize the value of their IT investments.
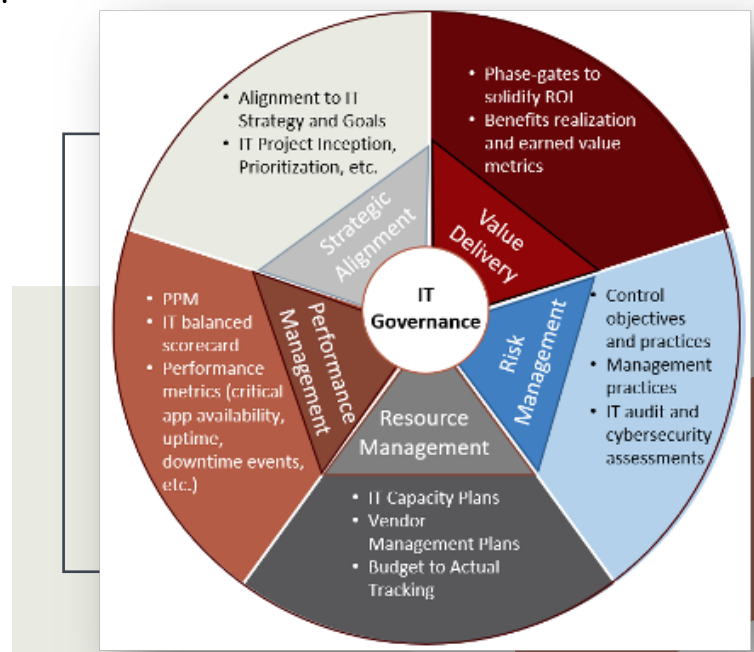
Contact us today and maximize your ROI on IT investments!