

## *Editor's Comments*

# **The Management Difference: A Tale of Two IS Projects**

The importance of support from top management has, of course, long been recognized by MIS practitioners and academics. Most of the discussion takes the form of laments that top executives do not have sufficient appreciation of the contributions that could be made by an effective MIS — nor the critical role that they must play in implementing such a system.

It may be possible for the IS staff to labor in the trenches and do useful work without much participation from top management. If the application is a mission-critical strategic system, however, it is hard to see how the system could meet its full potential without the active support and involvement from the top. The policy implications embedded in the design and implementation of a critical system are so vital to the organization's performance that senior executives must take a direct hand in the whole process.

The truth of this maxim was brought home convincingly to me in two recent implementations that I had the opportunity to observe. Two different companies set about to develop an important "mainline" system to provide online support of their principal transaction processing activities. Both of the companies are in the financial services industry, in which information processing is a critical contributor to the business. The implementation tools and methodology — an evolutionary prototyping process using a powerful fourth generation language — were essentially identical in the two instances. The technical teams were very similar and, in fact, even had some overlapping members. The only thing that differed in any substantial way was the management of the two companies. Yet one of the companies achieved an outstanding success, while the other failed completely, abandoning the implementation after expending a great deal of effort. An examination of the two cases reveals just how important management is to a project's success.

The successful company built a very large system — over three million lines of COBOL — in a little over two years and at a small fraction of the cost of similar systems developed by other organizations in the same industry. The project came in ahead of schedule and below budget. The system has been operating for over a year, with few problems. It provides considerably greater functionality than any competitive system and has proven to be quite adaptable in meeting some substantial changes that have taken place in the environment. The system gives the company an important competitive edge and has opened up some entirely new sources of revenue that offer the potential of contributing significantly to corporate profits.

Top management of the successful firm played an extremely important role during the entire implementation process. Both the chairman and president got into the act, especially the president, who serves as chief operating officer. He was the primary instigator of the project and was responsible for the choice of hardware vendor and implementation tool (with some considerable internal opposition within the firm). Over the course of the development, the president maintained close tabs on progress and was quite willing to step in when necessary to remove any organizational barriers. Both the chairman and president showed unstinting support for the project in every appropriate public forum (including two annual reports issued to stockholders). Some IS executives might be tempted to sacrifice their first-born child for such support.

This unambiguous support had a pervasive effect on the implementation process. The president let it be known that managers and staff members were expected to give the project a very high priority. The development team was granted easy access to employees throughout the organization, without bureaucratic hindrance or delay. Users participated actively in defining their requirements and criticizing interim prototype versions of the system. The senior vice president in charge of day-to-day operations — who was originally opposed to the project, but soon became one of its strongest advocates — played a particularly critical role, since he was the ultimate customer of the system. His decisive policy

decisions regarding the functional design of the system contributed to the stability of the design and led to the success of the system in meeting the needs of the organization.

Management's behavior in the unsuccessful company stands in stark contrast to that of the successful one. Although the CEO initiated the project, he was succeeded by another executive during the course of the implementation. The new CEO largely delegated supervision of the project to the head of the information systems group, who himself displayed no great enthusiasm for the whole affair. It was very difficult to get firm decisions from anyone. Decisions, once made, were often revoked in a fruitless quest for the seemingly "perfect" system. Because of an unfortunately vague contract with the outside developers of the system, management had little economic incentive to complete the system and take charge of its operation. The unstable development environment led to recriminations and finger pointing between management and the developers. In retrospect, at least, it should not be at all surprising that the project failed utterly.

The need for management support has become a cliché, but it is not less valid for all that. If anyone ever argues that the issue is overblown, say it ain't so. Nothing is more important — at least if you aspire to have a strategic impact on the organization.

The more difficult question is, how does one generate top management support? Children cannot choose their parents, nor can an IS executive choose a boss who provides the requisite environment for success. Good deeds and a reliable track record certainly help to create support. Merely recognizing the critical importance of senior management is a necessary first step. Unless the right support is forthcoming, IS management should probably set a realistic aspiration level and concentrate on the successful completion of relatively unambitious projects that will build credibility and support.

But it's a lot easier to luck out and get the right boss.

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