

JAMES A ROBERTSON AND ASSOCIATES

EFFECTIVE STRATEGIC BUSINESS SOLUTIONS



SOFTWARE ASSET MANAGEMENT CONFERENCE



20 and 21 July 2006

The Critical Factors for I. T. Investment Success How To Ensure That Software Assets Deliver

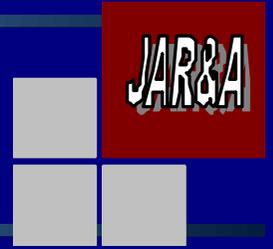
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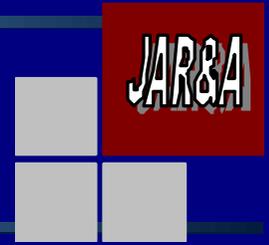
AGENDA

HOW TO ENSURE SOFTWARE ASSETS DELIVER



1. Understanding Why I. T. Investments Fail
2. Pinpointing the Critical Factors for I. T. Investment Success
3. Defining the REAL Drivers of E. R. P. Investment
4. Identifying the Economic Drivers of I. T. Investment
5. Reviewing the Three Dimensions of Executive Custody

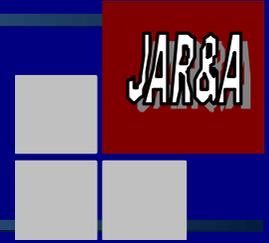
CONTEXT: INFORMATION TECHNOLOGY AN INDUSTRY CHARACTERISED BY FAILURE



1. **Seventy percent of I.T. investments fail TOTALLY**
2. Another twenty percent fail to fully satisfy the original business requirement
3. *"19 out of 20 E.R.P. implementations do not deliver "what was promised"*
McLeod (FM)
4. Ninety percent of strategic plans fail
5. Seventy percent of B.P.R. investments fail
6. *"Most organisations are not making better decisions than they did five years ago."*
Gartner



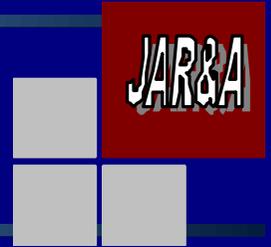
AN INDUSTRY CHARACTERISED BY FAILURE: DECISION MAKING



"Attendees of Gartner's Business Intelligence Summit in London last month were not surprised to hear that most enterprises are still failing to use business intelligence (BI) strategically. Gartner's survey of over 1300 CIOs returned some unimpressive findings about the state of BI implementations: Gartner's vice president of research summed up the situation nicely by saying: "Most organisations are not making better decisions than they did five years ago."

BUSINESS INTELLIGENCE
Article published in Computer
Business Review Africa May 2005
published by Network Times.

CAUSES OF INFORMATION TECHNOLOGY INVESTMENT FAILURE



1. Information technology mythology (30%)
2. Lack of executive custody and inappropriate policies (20%)
3. Lack of strategic alignment (15%)
4. Lack of an engineering approach (12%)
5. Poor data engineering (10%)
6. People / soft issues (8%)
7. Technology issues (5%)

50%

(Remember that I.T. is value inert)

THE CRITICAL FACTORS FOR SUCCESS

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1. Executive Custody (25%)
 2. Strategic Solution Architecture (18%)
 3. Strategic Alignment (16%)
 4. Business Integration and Optimization (14%)
 5. Programme and Project Management (12%)
 6. Data Engineering / Information Management (10%)
 7. Technology Components (5%)
- 43%

E.R.P. SYSTEM REPLACEMENT DRIVERS

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1. Badly designed

2. Badly built

3. Badly implemented

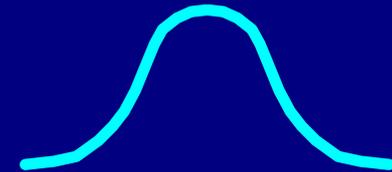
4. Badly maintained

5. Obsolete technology

6. Dramatic real business change where others have gone before

7. Other - fashion / don't understand / mythology / don't want to look stupid / confusion / etc

Has the system been successfully used for a number of years?



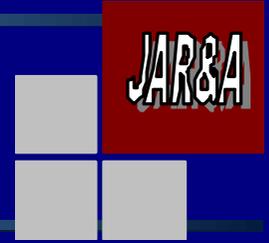
747 / Concorde

GENERAL I. T. ECONOMIC DRIVERS

The logo for JAR&A, featuring the letters 'JAR&A' in a stylized, bold, white font with a black outline, set against a red rectangular background.

1. Fashion / corporate peer pressure / fear / vendor driven obsolete
2. Truly obsolete / worn out
3. Badly maintained / not sustainable
4. Stabilization / consolidation of existing infrastructure and capability
5. Increased capacity to support growth
6. Productivity / efficiency opportunities -- do more with what you have
7. Strategic efficiency and innovation

THE THREE DIMENSIONS OF EXECUTIVE CUSTODY



1. Engagement
2. Prove it works / make it work
3. Leadership

CRITICAL EXECUTIVE QUESTIONS

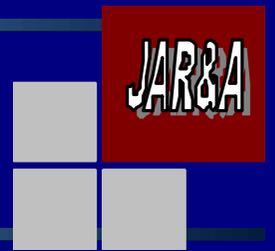
Questions Every Executive Should Answer Before Saying "YES"

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1. Do I have a clear definition of the value proposition that I own now and can communicate to the rest of the organization?
2. Do I have a clear definition of how the outcome will be accomplished?
3. Is there real acceptance of the real effort and investment required?
4. Is there real business commitment?
5. Am I (CEO / responsible executive) willing to be held accountable?
6. Am I willing and able to hold the responsible executive / manager accountable?
7. Am I willing and able to hold the service providers and vendors accountable?

EXECUTIVE CUSTODY

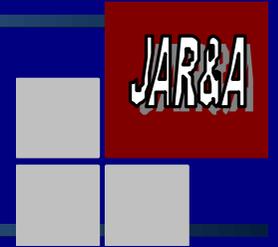
Role of executives in Strategic Leadership



1. *"The greatest barriers to strategy are often self imposed and many are internal. **Strong leadership by the chief executive officer is almost a necessity if strategy is to be created and implemented**"* Professor Michael Porter
2. Seen as an important tool of the business
3. FULL responsibility and accountability
 - this is MY business system
 - comparable level to - MY factory / warehouse / etc

EXECUTIVE CUSTODY

Role of executives in Strategic Leadership

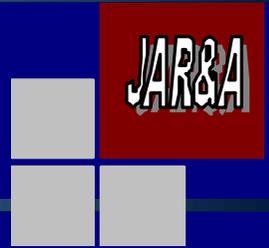


A key responsibility of executives is innovation that will generate high bottom line value outcomes

that is Strategic outcomes

Executives therefore define the role of information technology in creating sustainable competitive advantage

HOW TO ENSURE THAT SOFTWARE ASSETS DELIVER



QUESTIONS ?



<http://www.jar-a.com>

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