

# IB2430: Business Systems Development and Implementation Assignment

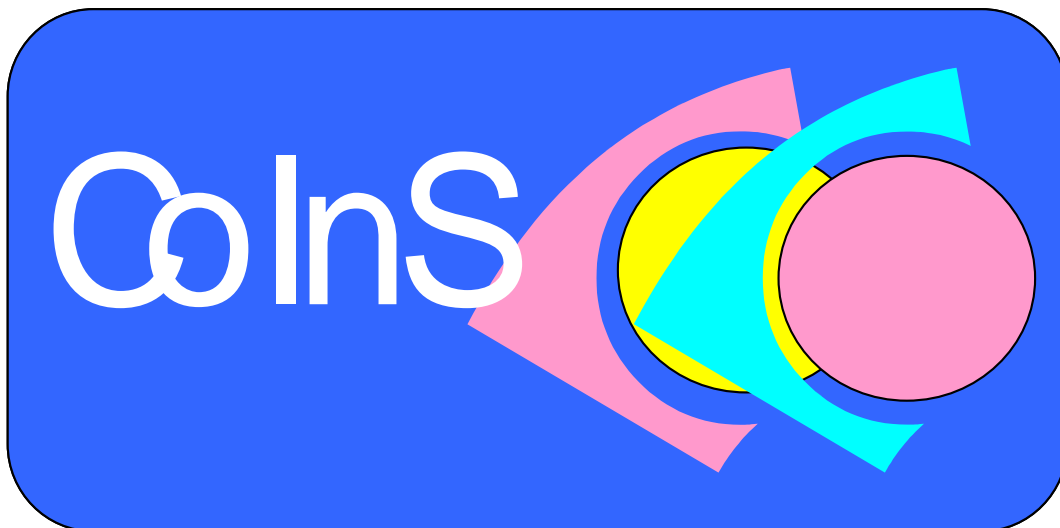
Essay, 12 CATS, 2500 words

Doctor Vaughan Michell, Warwick Business School

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## Topic: ColnS Case Study:

*Critically analyse and assess the BSDI related risks and issues facing the ColnS business, identifying both good BSDI practice and any mistakes that have been made. Indicate what has gone wrong and why. Develop recommendations and reasoning for appropriate and reasonable solutions to the issues and summarise what should be done next.*



**"ALL THE WORK CONTAINED WITHIN IS MY OWN  
UNAIDED EFFORT AND CONFORMS TO THE  
UNIVERSITY'S GUIDELINES ON PLAGIARISM"**

**Sophie Jaffrennou**

*Erasmus Student*

**ID: 0938036**

**2500 Words**

*“We just have to work together as one.”*

“One of the main reasons for poor post-merger performance is the failure of organisations to fully consider the IT implications of mergers. Causes for the performance failures do often relate to the definition and development of the new IS and IT infrastructure requirements”<sup>1</sup> but at the same time, “the integration of IS in merging organisations can be an opportunity to look into the future and help the combined organisations gain a competitive edge”<sup>2</sup>. These two dimensions of IS in mergers are describing the ongoing challenge addressed by CoInS, which has to integrate and shape two different information systems, two slightly different businesses and two different organisational contexts in only one strong and capable conglomerate, served by a tailored, highly efficient network, providing useful and reliable pieces of information to all its workforce. This “transition period” Herbert Glomar is in charge of, as a global systems solutions and IT projects director, is a crucial and very complex one, bringing large amounts of resources into play which also implies problems, conflicts, hard decision making and finally good management practices in order to succeed. That’s what makes the CoInS case particularly interesting to look at: to define what factors can influence and make such a large IS project work or not and how to deal with them as a manager. Our approach of this case will focus here on first, the analysis and assessment of the issues and risks faced by CoInS at the moment; and second on recommendations and reasoning for appropriate reasonable solutions, leaning upon the positive elements already existing within the situation.

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“The biggest risk is the obvious risk...” Herb tells himself, as if he was considering that everything that could go wrong should be crystal-clear and their treatment ad hoc, but “project risks need to be continually reassessed at each stage of the project, and the project manager must be aware of the myriad non-IT-related environmental constraints to which he/she is subject”<sup>3</sup>. Here, some risks which have apparently not been monitored as it should have been have turned into issues, adding to the existing

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<sup>1</sup> Mc Kiernan&Merali, 1995, cited in Wijnhoven, Spil, Stegwee & Tjang A Fa, 2006, p6

<sup>2</sup> Stylianou, Jeffries and Robbins, 1996, p209

<sup>3</sup> Pareek, 2005, p1

risks, at three levels: the people and structure, the processes and the market, financial and technological ones.

“Mergers and acquisitions are about power, differing perceptions cultures and definitions of the situation and so are potentially conflictual, the social and cultural ramifications of which extend beyond the boardroom”<sup>4</sup>. So, the first issues lie in this “take-over” context, including a major player (Catalyx) and the taken one (ONIS): people from the two entities might not be able or willing to communicate, work together making efforts to get to know each other, or make any concession, setting a “no change climate”, locking up the least common project and as a consequence threatening the merger’s achievement. As pointed out by both Chon’s and Casey’s speeches: “Just because we’ve been taken over doesn’t mean that we have to...” and “This is a real opportunity to show the superiority of Catalyx...” Other effect of the “take-over”, the hearsays and cut-offs, sometimes announced tactlessly by the managers themselves (“we have to cut 17% of our workforce within 6 months”, said Herb), cause despondency, increase the staff turnover, and the risk of losing key people and skills, making the others tensed and less dedicated to their jobs because they have to make up for several ones. Moreover, if some individual demotivation and lack of morality can happen (like having holidays prior to project completion) or some kind of oppositions can exist between the different teams; some conflicts exist within them, which are not less worrying since conflicts are one of the main causes for projects failures. Chon and Pui, Casey and Naribaloti and even Herb and Dellanaro, their lack of trust and diverging interests could lead to disasters. Risks related to culture and power also have to be soon smoothly sorted out like the terminological one for example, putting Chon at the same and confusing authority level as Herb, with the “director” status, whereas he is a system development manager and does not have the same decision power; this represents a high risk of conflict or insubordination.

These highlighted organisational issues and risk factors may seem to be numerous enough to be the only ones, however, some processes, or ways things are done, are also problematic. First of all, some questions rose by the applications’ development managers, are the symptoms of an issue. They should have been answered at the beginning of the project: which approach or methodology will we

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<sup>4</sup> Cartwright & Cooper, 1996, p36

use? Could we outsource more or hire and manage a virtual team? It's as if no project feasibility study, project proposal, project definition document or risk analysis and planning, had never been written and validated giving the main guidelines, as if no project board had to approve it before having anything done. The teams actually do not have "the big picture" in mind; they do not understand well where things are going precisely. The requirements are not clear enough to avoid mistakes or to allow a successful cooperation from multiple functional areas as asked by Herb ("you'll have to work more closely with the line management"). Following from that, a bad planning with no real drawn up priorities: rewriting "Resura System" programme was apparently not one, while the integration of the legacy system was, and has not been taken care about enough. This also reveals a more strategic issue concerning the development of a new application by Singapore's team: "Myth (---) states that the development of a new application portfolio is a successful way of uniting the two merging firms. This is often not true, because new application portfolio development results in huge complexity as addition to the complexities of organisational integration. Priority can better be given to the organisational integration and the minimally required IT integration"<sup>5</sup>. At the end, a real lack of communication and reporting between the teams and Herb as well as between the project board's members is to be deplored: the previous outsourcing project manager left two weeks ago and Herb has not been told about it, an outsourcer has been chosen and some cut outs made, apparently without deep analysis, request for proposals and without a project board consultancy or meeting. We might as well say that the lack of respect of good project management practices is increasing dramatically the risks of failure.

Once the organisational and processes related issues and risks moved apart; remain the market, financial and technological ones. First risk, the poor analysis done of the outsourcer's (Bizco) grade and match, accompanied by a poor contract development and negotiation, letting room for low quality work (no real identification of SLAs and performance management let to the vendor). When outsourcing a crucial project, being so negligent about such basic points is not an option and this is a very huge risk that has been taken which could "undermine not only the overall integration program, but also the credibility of IT"<sup>6</sup>, and we could add, if the IS disruption is too long, the reputation and the ability of the company to resist on the

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<sup>5</sup> Wijnhoven, Spil, Stegwee & Tjang A Fa, 2006, p12

<sup>6</sup> Pareek, 2005, p1

market. This risk, if causing some rework, could also cause resource shortage, or at least, make it worse than it could be thanks to the “definitional uncertainty”<sup>7</sup>, the delays and the other contingency costs. In this context, thinking about outsourcing more at low cost and some “core competencies” above all, which represent part of the potential competitive advantage of the company, looks extremely risky too and should be studied very carefully.

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As a project manager, it is better to me pessimistic than over-optimistic in order to minimize the risks and their potential consequences, reason why the issues and risks detailed previously can appear a bit alarmist or dark. However, the time came to identify the positive elements of the situation in order to lean on them to find some corrective solutions or coping plans through two steps: the first one would consist in analysing, deciding, communicating and resolving conflicts, the second one in organising, planning, monitoring and controlling.

In Singapore, the “methodical, structured comprehensive, Asian ordered mind”, added to the willingness of the staff to work hard, should allow Herb to build a good team, observant and effective, if managed properly by Chon, reporting to him. Besides, a few people there are expecting “an opportunity for real improvement”. Pui, for example, could handle a “project champion role” thanks to his vision, and operate between users and developers, through Herb’s tight control. In California, the observation is quite similar: the mix between Telina Naribaloti’s realism and pragmatism, joint to Casey’s excitement could make a great work, balancing decision between reason and creativity as “Myth (---) states that a merger is an opportunity to realise a major improvement in the ICT domain. This idea may result in a major increase of decision making efforts and change complexity. Only urgent systems need to be developed and realised. For less urgent systems, a decrease of system performance may be acceptable for the time being”<sup>8</sup>. In London Headquarters, the outsourcing team looks quite autonomous, and seems to do its best to prevent the project from failure, communicating with Herb; at the same time, Abigail Jutland, the global team development unit director really tries to find some solution and shows her

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<sup>7</sup> Parker & Benson, 1988

<sup>8</sup> Wijnhoven, Spil, Stegwee & Tjang A Fa, 2006, p12

volition to help in a reflected way, putting together cases. Her empowerment might be a valuable support to Herb.

“Successful managers think a lot, learn a lot and are self-critical. They are true realists”<sup>9</sup>. While analysing, deciding, communicating and resolving conflicts, Herb should first think about his own role, getting “back to basics” and keeping in mind the “big picture” in order to set his priorities. His mission, as a project manager is to bridge the gap between the new business logic and design and the technical design and implementation, making sure several projects are completed within a certain set of constraints. This time he is in charge of a transition which means “a temporary solution that a company adopts for a certain time before deciding to adopt a deeper strategy”<sup>10</sup>. “An example of a successful merger is reported by Johnston and Yetton (1996). In a merger of two Australian banks, the first major implementation step in the integration process was to build a (temporary) technical bridge between the two systems. To retain customers of both banks, integration proceeded carefully, instead of undertaking an immediate radical change. This would secure the customers of either bank to have access to their accounts if they would go to any branch of the newly merged bank during the integration. The technical bridge (realised by periodic synchronisation) provided the necessary connection between the two platforms for capturing and routing transactions, while the systems integration continued in the background.”<sup>11</sup> Then, taking back each project’s PDD with a fresh perspective, study them carefully and prepare some modifications to submit to the project board if necessary as well as a management strategy and a communication plan for each one, depending on the present context and in order to make all roles approaches and objectives clear, while satisfying everyone’s needs, moving from a transactional management to a transformational leadership “by raising the awareness of followers to make them aspire to higher order needs and values, and developing them to fulfil their aspirations”<sup>12</sup>. For example: decide to adopt a spiral method approach for both the Asian and the Californian projects, combining the waterfall model and the use of a throw away prototype to involve users and make the process quicker without too many risks. Entrust Pui and Casey with the relationship management to users and prototype design, and Chon and Telina Naribaloti with the system development.

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<sup>9</sup> Gregory & Mc Gilchrist, 2009

<sup>10</sup> Giacomazzi, Panella, Pernici & Sansoni, 1997, p291

<sup>11</sup> Wijnhoven, Spil, Stegwee & Tjang A Fa, 2006, p13

<sup>12</sup> Kahai & Avolio, 2008

Then, make them meet all in London Headquarters in order to promote collaboration, incentivise them, and make the new company's strategy more accessible for them, accompanied by Abigail Jutland to prepare her to act as a global and possibly virtual project team relationship manager. Studying the opportunity to offer employees a profit-sharing could also be a good idea, in order to motivate them and keep the quality of their work as high as possible through a rewarding quality led culture.

Then, organising, planning, monitoring and controlling the risks, the new strategies and role distribution will be the key of the projects' saving. Gathering all the new information: task assignment, approaches, projects' standards...Herb should prepare for each project, with each sub-project manager and team, a new documentation and toolkit in order to identify and assess each risk, know each project's new timescale and main deadlines from bottom-up approach (critical path and Gantt chart), know each new projects budget, organise communication and reporting through frequent progress tracking and responsibilities ownership in order to get more reactive each time a problem happens and if possible anticipate them. These documents will also enable Herb to present to the project board the whole new projects data with detailed and reliable information and explanations, in order to have their approval, and if necessary, the investment board's one too, to get a new start. As far as concerns the outsourcer's problem, an opened discussion with Bellana Dellanaro ought to be scheduled and a joint decision taken in order to tighten their work quality and progress control, while preparing an appropriate realignment contract. To end, the case for a virtual team settlement should be accurately completed and submitted to the project board before taking any decision concerning a new outsourcing RFP.

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As a conclusion, the situation faced by CoInS is serious and has to be handled as quickly as possible with care and grip at the same time; from human, business and technical perspectives. Here is a summary of what Herb should do next: first, stand back, think and analyse the situation. Seek for all information available and take some radical but reasonable decisions to retake control over things, document them as much as he can with each sub-project manager and team, prepare for a presentation to the project board; and then plan for their implementation through a communication and relationships management strategy and some implementation

and reporting tools without forgetting that good business systems development and implementation practices should never be defied again, as restrictive as they can seem, and that “deciding on how to integrate the IT in merger contexts requires a view that includes strategic, organisational and IT characteristics”, setting “a unidirectional relation between business goals and IT Strategy”<sup>13</sup>.

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<sup>13</sup> Wijnhoven, Spil, Stegwee & Tjang A Fa, 2006, p6

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