

Canadian Equipment Finance Magazine Article



KEEPING UP WITH TECHNOLOGY

PRESENTED BY: MARKETING

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Keeping Up With Technology

Technology is advancing rapidly, leaving many Equipment Finance companies struggling to define the impact and know where their business fits. Since the real business impact of technology comes from how it's deployed and used by the people inside and outside the organization, business leaders need to have a good understanding of their organization to determine how to move forward. Not every Equipment Finance company needs to undergo an immediate or comprehensive technology transformation. Sometimes, the only change required may be around business processes or a new approach to customer service.

Technology Decisions

Historically, technology decisions have been centered on efficiency—how can it help me do my job better and faster? Currently, however, the demands placed on technology also include developing new products, branching out into new markets and being reactive to evolving market and customer demands.

Technology is what enables businesses to be innovative, to accelerate and to gain a competitive advantage. So when businesses are summing up their technology needs, they should also be thinking about how much, how fast and in what direction they want their business to grow, as well as what technologies and systems will best support these strategic goals, how to get the most out of their data, and how to best assure that the infrastructure is reliable and secure. The answers to these questions will help define a technology strategy.

Technology Strategy

A common mistake companies make when developing a technology strategy is expecting their IT Managers to fully understand the strategic vision for the business. The technology group needs to interpret the requirements that emerge as a result of the corporate and business level's strategic vision, so it is critical for both groups to work closely together.

The first step in developing a good technology strategy is to understand how your company creates value for your customers and the consistent challenges your organization faces. When evaluating this information, it is important to consider what is needed to generate top-line revenue, improve gross margin and improve the customer experience. If you intend to grow your business, it's important to invest in a scalable infrastructure. Taking this approach will prevent buying one-off, stop-gap solutions in favor of technology that comes with the flexibility and scalability your business needs to be successful.

The next step is to develop a clear technology strategy that encompasses your business goals. Too often, companies jump from one system or application to another without fully realizing the benefits of their technology. Without a defined strategy, companies make poor buying decisions, adopt ineffective tools and often experience a high-level of frustration. The businesses that excel typically establish technology strategies that help them gain a competitive advantage through cost savings, process improvements, faster time to market and improved quality and service levels.

Technology encompasses both a cost of doing business and an opportunity to do more, and there needs to be a dynamic balance between efficiency and innovation. Innovation through technology is what creates new opportunities.

Next Steps

There are many reasons why a company may elect to upgrade their software and/or hardware platforms. Some of the more common reasons are additional functionality, competitive advantages, a vendor is phasing out support or new industry regulations. Whatever the reason behind the migration, there are three major areas of focus that will drive the success of the project: defining a project scope, developing a project plan and assigning a dedicated project manager.

The first thing a company considering a migration project should focus on is putting together a project scope. By definition, a project scope involves determining and documenting specific deliverables, tasks, costs and deadlines. It's important when developing the project scope that all the stakeholders for the project have input, understand the scope and agree upon how the project's goals will be met.

The project scope establishes the boundaries of the project, the responsibilities for each team member and sets up procedures for how completed work will be verified and approved. During the project, the project scope helps the project team remain focused and on task. The project scope also provides the project team with guidelines for making decisions about scope changes during the project.

When documenting a project's scope, the project stakeholders should be as specific as possible in order to avoid scope creep, a situation in which parts of a project end up requiring more work, time or effort than accounted for. It's not uncommon for a system migration project to change along the way, so the better the project has been scoped at the beginning, the better the project team will be able to manage any changes that may be needed.

According to the Project Management Institute, 64 percent of all projects fail to deliver on the original schedule and budget. The biggest cause of these failures is attributed to either poor project scopes, or if the scope was well defined, scope creep. The good news is that if the scope is defined clearly and scope creep is effectively managed, the chances of a successful migration improve greatly.

Once you have the project scope defined, the next step is the planning phase. Project planning is the process of defining the specific activities and resources that will be needed for the system migration. During this phase, you will define what tasks will be performed, who will perform the tasks, when the tasks will be performed and what resources will be needed to accomplish the tasks. Requirements, such as hardware, disk capacity, memory requirements, scalability and other hardware capabilities, should also be considered.

When system migration projects fail, companies often blame the software, but the real reason they fail is usually because of poor project planning. Proper planning and following project milestones will go a long way in ensuring project success.

Once you have the project scope defined and the project plan documented, the next step is to assign a

project manager. A project manager is a dedicated resource that is accountable for the completion and ultimate success of the project. Unfortunately, many companies make the mistake of seeing the project management role as a “nice to have”, not a “need to have”. With organizations expecting projects to be completed faster, cheaper and with higher quality than ever before, the project manager role is instrumental.

A key benefit of having a project manager is that they become a conduit for effective communication. The very nature of scoping out a project offers an agreed-upon course of action to obtain the desired result. In essence, that means everyone is on the same page from the start of the project. Ensuring a project stays on track requires constant communication with the various team members responsible for each piece of the overall project. This forced communication keeps everyone in the loop as the project evolves.

A project manager is also responsible for keeping scope creep from sabotaging the project. More often than not, the uncontrollable growth of a project plan is due to the lack of project management, and almost always, guarantees the downfall of a project. Alternatively, successful project management controls the flow of a project and keeps team members focused on working within the original scope of work.

Overall, a project manager provides the structured accountability that is needed to ensure the project is properly championed, and stays on track and on schedule.

There are numerous benefits in migrating to a new system, but many companies are still reluctant to do so. Companies fear migrations will take too long, be over budget, disrupt their business and fail to deliver the expected benefits, but this doesn't have to be the case. Focusing on these three key areas before you start your migration project will dramatically increase the success of your endeavors and ensure a stable and seamless transition.

Don't just ask what you can do with your technology, ask what your technology can do for you. The answer you get may be challenging and require some upfront hard work, but with the right planning and top-down support, it will be far less painful than doing nothing.