SCOPING THE ENTERPRISE INFORMATION SYSTEM IMPLEMENTATION VS.

ADDRESSING THE BIG PICTURE

DR. CLARENCE NIXON, JR.,
AGENDA

INTRODUCTIONS AND EXPECTATIONS
SESSION GOALS AND OBJECTIVES
THE EIS CHALLENGE
THE EIS DELIVERY MODEL
THE EIS LEADERSHIP MODEL
IMPLICATIONS FOR DOCTORAL STUDENTS & PRACTITIONERS
SESSION SUMMARY
QUESTIONS AND ANSWERS
DEFINITIONS
Session Translation:

Why Do EIS Projects Fail?
INTRODUCTIONS AND EXPECTATIONS

• Name
• Study Focus & Year
• Session Expectations
INTRODUCTIONS AND EXPECTATIONS

Clarence Nixon, Jr. Ph.D.

Dr. Nixon is a founder and CEO of t.Lab an accelerated learning center for families and students in grades K-12. t.Lab was established to increase the competitiveness of US based students while leveraging a global leadership model. Dr. Nixon is regarded for his general management skills including marketing, product development, engineering, manufacturing, sales, finance, human resources and information technology. His career has revolved around implementing leading-edge business solutions through thorough planning and execution. Strong executive leadership across a broad spectrum of management positions has allowed Dr. Nixon to consistently deliver results for employers, clients, business partners and stakeholders.

Dr. Nixon was the Chief Information Officer and Process Improvement Executive for Ball Park Brands (a division of Sara Lee); Chief Information Officer for the Worldwide Automotive Division of ALCOA; and the Director of Strategic Leadership at American Cyanamid Company. Prior to American Cyanamid, Dr. Nixon spent a total of 19 years developing business acumen within the automotive industry including Ford, General Motors and Chrysler Corporation. Building on a strong foundation of an accomplished career within several industries, demonstrating proactive leadership strengths and perfecting key technological solutions throughout his career, Dr. Nixon is a leading force in change management and the continued emergence of digital technologies.

Dr. Nixon holds a Ph.D. in Interdisciplinary Studies from Wayne State University, a M.A in Logistics from Central Michigan University and a B.S. in Business Administration from Upper Iowa University. Dr. Nixon is the Dean of the Joseph Business School at Detroit Worship Center, an adjunct professor at Colorado Technical University, Central Michigan University, the University of Detroit Mercy, and The University of Windsor. Dr. Nixon is the author of several books to be published in 2018 including: The Leadership of Hope, From CIO to CEO and Shifted Paradigm; Education in the 21th Century.
GOALS AND OBJECTIVES

• **Learning Objectives:**

  • Understand the role of today’s IT professional in the organization’s success equation.
  
  • Understand the significance of language and effective communication in organization change.
  
  • Understand the significance of finance and measurement in deploying EIS.
GOALS AND OBJECTIVES

• Performance Objectives:
  • Students will define an individual leadership skillset enhancement plan.
  • Students will define the core elements of the new EIS Implementation Model
  • Students will define the elements of an investment model for EIS Investments.
To provide an enhanced level of leadership while realizing significant operational and financial results:
MEASUREMENT

“What Gets Measured – Get’s Made!”

Mr. John Bryan, Former Chairman and CEO, Sara Lee Corporation
THE EIS CHALLENGE

Stunning Project Management Statistics on Failure:

1. 70 percent of projects fail. [source: 4 PM]

2. The failure of IT costs the U.S. economy about $50-$150 billion annually. [source: Harvard Business Review]

3. Just 40 percent of projects at IBM meet the company's three key goals (schedule, budget, and quality). [source: IBM]

4. Three-quarters of projects fail because senior management doesn’t get involved. [source: Capterra]

5. 17 percent of IT projects go so badly, they threaten the existence of the company. [source: McKinsey & Company in conjunction with the University of Oxford]
THE EIS CHALLENGE

Stunning Project Management Statistics on Failure:

6. 80 percent of "high-performing" projects are led by a certified project manager. [source: Wrike]

7. Only 2.5 percent of companies successfully complete 100 percent of their projects. [source: Gallup]

8. 57 percent of projects fail due to breakdown in communications. [source: IT Cortex]

9. 77 percent of high performing companies understand the value of project management. 40 percent of low-performing companies understand the value of project management. [source: PMI]

10. The failure rate of projects with budgets over $1M is 50 percent higher than the failure rate of projects with budgets below $350,000. [source: Gartner]
Stunning Project Management Statistics on Failure:

11. 44 percent of project managers do not use project management software, even though Price Waterhouse Coopers concluded that using PM software increases performance. [source: Price Waterhouse Coopers]

12. 73 percent of respondents admit that their projects are either always or usually "doomed right from the start," including 27 percent who always feel this way. [source: Geneca]

13. Project success rates are rising. Organizations today are wasting an average of US$97 million for every US$1 billion invested. That's a significant 20 percent decline from last year's findings. [source: PMI]

14. 49 percent of organizations have a project management training program in place. [source: PM Solutions]

15. A majority (56 percent) of organizations have only used one project management system. [source: Capterra]
THE EIS CHALLENGE

Stunning Project Management Statistics on Failure:

16. 17 percent of large IT projects go so badly that they can threaten the very existence of the company. [source: Calleam]

17. One estimate of IT failure rates is between 5 percent and 15 percent, which represents a loss of $50 billion to $150 billion per year in the United States. [source: Gallup]

18. Just 42 percent of organizations report having high alignment of projects to organizational strategy. This lack of alignment of projects most likely contributes to the surprising result that nearly one half of all strategic initiatives (44 percent) are reported as unsuccessful. [source: PMI]

19. 75 percent of respondents lack confidence in project success. Fuzzy business objectives, out-of-sync stakeholders, and excessive rework are key culprits. [source: Geneca]

20. Only 26 percent of all projects succeed. [source: PMI]

21. The average overrun was 27 percent, but one in six projects had a cost overrun of 200% on average and a schedule overrun of almost 70 percent. [source: Harvard Business Review]
Why Do EIS Projects Fail?
Possible causes of EIS Project Failures:

- Maturity and knowledge of Governance Level Decision Makers
- Governance Focus – (limited)
- Qualified Project Managers
- Maturity of CIO Position
- Rapid Change of Technology
- Degradation of – Quality and Education Standards within US
- Maturity of Training and Development Channels
- Maturity of Human Resources Function
### THE EIS DELIVERY MODEL

<table>
<thead>
<tr>
<th>Mission</th>
<th>1. The mission of I/S is to create value-adding business change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>2. The Customers of I/S are the Business and Its MarketPlace.</td>
</tr>
<tr>
<td>Responsibility</td>
<td>3. The responsibility of I/S is to ensure that computing is done well</td>
</tr>
<tr>
<td>Work</td>
<td>4. The Output of I/S Is Information Infrastructure</td>
</tr>
<tr>
<td>Software</td>
<td>5. The Purpose of Software Is to Model the Business</td>
</tr>
</tbody>
</table>

Source: CSC Consulting Group
## THE EIS DELIVERY MODEL

<table>
<thead>
<tr>
<th>Technology</th>
<th>6.</th>
<th>The Purpose of New Technology Is to Create Business Opportunities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role Model</td>
<td>10.</td>
<td>I/S Serves as a Laboratory and Role Model for the Business</td>
</tr>
</tbody>
</table>

Source: CSC Consulting Group
THE CIO AGENDA - 2018

https://www.gartner.com/technology/cio-trends/cio-agenda/

Source: Dr. Tony Wagner, Harvard University & t. Lab
EIS Leadership Competencies

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<tr>
<th>Competency</th>
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<td>Consistently using facts, figures, and systems to identify root causes to opportunities/problems -and applying solutions that consistently add value.</td>
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<td>Collaborating across networks and leading by influence</td>
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<td>The ability to deliver and receive value in changing conditions and environments.</td>
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<td>Self motivated to analytically identify problems/opportunities and applying solutions that add value in the market place.</td>
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</tr>
<tr>
<td>Accessing and Analyzing Information</td>
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<td>Curiosity and Imagination</td>
<td>Leveraging a passion and desire for knowledge to exploit opportunities and solve problems in new and unconventional ways.</td>
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<tr>
<td>Engaging and applying Information Technologies</td>
<td>The ability to plan and communicate the use of digital technologies to solve problems and exploit market opportunities - while generating value.</td>
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</tr>
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<td>Leveraging and using Faith Systems</td>
<td>Intuitive use and consistent application of one's core fundamental beliefs in addressing all of life's circumstances - good and bad, while maintaining a positive attitude.</td>
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Source: Dr. Tony Wagner, Harvard University & t. Lab
## EIS Leadership Competencies

### Self Assessment!

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</tbody>
</table>

**Source:** Dr. Tony Wagner, Harvard University & t. Lab

0 = None of the time  
1 = Some of the time  
2 = Often  
3 = Most of the time  
4 = All of the time
ACCESSING AND ANALYZING INFORMATION

- Building a Business Case or Cost Benefit Analysis:
  - Identify existing cost factors
    - People, Process, Policy, and Technology
  - Identify proposed new cost factors
    - People, Process, Policy, and Technology
  - Identify proposed new revenue factors
    - People, Process, Policy, and Technology

People Costs
Process Costs
Technology Costs
Cost Reduction
Quality Improvement
Increased Sales or New Opportunities
Policy Directives – ROI Targets
## ACCESSING AND ANALYZING INFORMATION
### COST BENEFIT ANALYSIS

**Economic Analysis**

**Sample Project**

**Summary Table**

Friday, April 13, 18

<table>
<thead>
<tr>
<th></th>
<th>Option 1 &lt;description&gt;</th>
<th>Option 2 &lt;description&gt;</th>
<th>Option 3 &lt;description&gt;</th>
<th>Option 4 &lt;description&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisal period (years)</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Capital Costs</td>
<td>50</td>
<td>$2,000,000</td>
<td>$30,000,000</td>
<td>$55,000,000</td>
</tr>
<tr>
<td>Whole of Life Costs</td>
<td>$15,000,000</td>
<td>$17,000,000</td>
<td>$45,000,000</td>
<td>$70,000,000</td>
</tr>
</tbody>
</table>

Cost-benefit analysis of monetary costs and benefits at the Public Sector Discount Rate

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Present Value of Benefits</td>
<td>$5,849,716</td>
<td>$7,604,631</td>
<td>$39,841,423</td>
<td>$47,718,390</td>
</tr>
<tr>
<td>Present Value of Costs</td>
<td>$5,849,716</td>
<td>$7,849,716</td>
<td>$35,479,345</td>
<td>$43,903,348</td>
</tr>
<tr>
<td>Benefit Cost Ratio</td>
<td>1.00</td>
<td>0.97</td>
<td>1.12</td>
<td>1.09</td>
</tr>
<tr>
<td>Net Present Value</td>
<td>$0</td>
<td>-$245,085</td>
<td>$4,362,077</td>
<td>$3,815,042</td>
</tr>
</tbody>
</table>

Multi-Criteria Analysis ranking of intangible costs and benefits (if any)

<table>
<thead>
<tr>
<th></th>
<th>Criteria 1</th>
<th>Criteria 2</th>
<th>Criteria 3</th>
<th>Criteria 4</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria 1</td>
<td>1.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>3.8</td>
</tr>
<tr>
<td>Criteria 2</td>
<td>1.25</td>
<td>2.25</td>
<td>1.50</td>
<td>1.50</td>
<td>6.0</td>
</tr>
<tr>
<td>Criteria 3</td>
<td>0.60</td>
<td>0.90</td>
<td>1.20</td>
<td>1.20</td>
<td>4.2</td>
</tr>
<tr>
<td>Criteria 4</td>
<td>0.40</td>
<td>0.30</td>
<td>0.50</td>
<td>0.80</td>
<td>6.0</td>
</tr>
</tbody>
</table>

**Note:** The table provides a detailed analysis of the costs and benefits for each option, including appraisal periods, capital costs, whole of life costs, present values, benefit-to-cost ratios, and weighted scores for intangible criteria.
Focus on problem solving regarding EIS Effectiveness:

- People, Process, Policy (Governance), and Technology
  - People Issues
    - Competence
    - Leadership
  - Process
    - Effectiveness
    - Profitability
  - Policy
    - Enterprise Governance
    - Including EIS/IS/IT
  - Technology
    - Aligning w/Organization Capabilities
    - Creating Change and New Paradigms
SESSION SUMMARY

1. What is the role of today’s IT professional in the organization’s success equation?

2. What is the significance of language and effective communication in organization change?

3. What is the significance of finance and measurement in deploying EIS?
Why Do EIS Projects Fail?

QUESTIONS & ANSWERS
DEFINITIONS

Learning Objectives, are things (content) students are expected to understand following the completion of a course or a session.

Performance Objectives, are things (content) students are expected to apply or do following the completion of a course or a session.

EIS, an acronym for Enterprise Information Systems, EIS comprises the total technology foundation and solutions delivered throughout an organization.

Enterprise Governance, exercising fiduciary responsibility through formal leadership and management capabilities.

IS, an acronym for Information Systems.

IT, an acronym for Information Technology.
DEFINITIONS

**Project Management.** The body of knowledge concerned with principles, techniques, and tools used in planning, control, monitoring, and review of projects.

**Leadership Competencies.** Are the skills and behaviors that contribute to the performance of a leader.

**CBA.** an acronym for Cost Benefit Analysis. A cost benefit analysis is used to evaluate the total anticipated cost of a project compared to the total expected benefits in order to determine whether the proposed implementation is worthwhile for a company or project team. ... Generally speaking, a cost-benefit analysis has three parts.

**CSF.** an acronym for Critical Success Factor
DEFINITIONS

“People, Process, Policy, and Technology,” a management framework used to deploy change and technology with organizations.

Policy, a course or principle of action adopted or proposed by a government, party, business, or individual.

Technology, The purposeful application of information in the design, production, and utilization of solutions to solve problems or exploit opportunities.

ROI, an acronym for return on investment

CIO, an acronym for Chief Information Officer