



The Changing Landscape of IT Business Project Development

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INTRODUCTION

Project development is difficult work; some people believe that it's too difficult. A large part of this belief is rooted in the way in which the relationship between the Business and IT has changed over the past 30 years. And that's not necessarily a change for the better.

In the 1980s, the link between IT and the business was beginning to form, owing to the explosion of new technology that offered the promise of increased productivity and access to information. At the time, IT staff at all levels exhibited significant business knowledge. In fact, many of the developers, programmers, analysts, and project leads came from business units, such as Broker/Dealer back-offices, operations and middle offices, among others.

The project design environment back then resembles today's formal methodology called Agile – a lot of client/IT meetings, prototyping and small-piece deliverables. This cooperative process was very much the de facto standard for all but the largest projects. Resulting from both shared context and business knowledge, projects tasks were completed quickly, accurately, and most importantly, with little to no finger pointing if and when retrofits became necessary. Both IT and the business implicitly agreed at all stages that both groups bore responsibility for the quality and efficacy of the end product. This resulted in a unified approach and a common goal.

CURRENT ISSUES AFFECTING IT PROJECT DEVELOPMENT INITIATIVES

In the present day project environment, particularly in the financial services industry, the relationship between IT and the business has changed and the dynamic is quite different. Development is much more challenging than before, as a result of several, often, interrelated factors.

One factor is that the one-time collaborative ownership has devolved into staunchly defended silos. Another contributing factor is that outsourcing has introduced not only physical distance, but communication challenges as well. Still another factor is that programming is a discipline borne of precision: there's little room for 'winging it'. Also, many of today's IT technicians and specialists have never held a business position. As a result, there's a demonstrable loss of context with regard to understanding what looks and feels right versus what doesn't. Each of these factors plays a role in undermining the IT-business relationship, as detailed below.

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Collaborative Ownership Has Devolved Into Silos

In some cases it's simply a mechanism to preserve one's job; in others it's friction between IT and the business. The budgets and goals aren't necessarily aligned, so when one group misses its mark, it needs someone or something to blame. While the solution is obvious, it merits mention: align the goals, and the compensation and better working relationships will follow.

Outsourcing Has Introduced Physical Distance Limitations

As a cost-reduction measure, firms frequently locate IT groups in another US city, or more increasingly common, another country. Loss of face-to-face and incidental 'water cooler' contact results in a loss of spontaneous opportunities to discuss and work through issues. Personal relationships are difficult to form and nurture, and require direct contact to grow. Adding a physical distance barrier often adversely affects relationships.

Programming Is A Discipline Borne Of Precise Language

An oft-repeated anecdote used to illustrate the point about differences in style of communication centers on a person from the business (Sally) and a programmer (Ralph).

Sally hears a knock on her office door. She looks up and sees Ralph, one of the company's best and brightest programmers, standing in her doorway. They have a brief conversation, and then begin to make plans for a three-hour drive to headquarters. Sally says, "Ralph, go to the bathroom, and I'll meet you in the lobby." All of a sudden, a puddle appears next to Ralph's feet. Sally gasps, "What are you doing?" Ralph calmly replies, "Exactly what you told me to do - going to the bathroom."

So, should Sally have said, or had to say, "Ralph, turn around, walk through the door opening and go exactly 31 feet. Then turn left and walk 17 feet, turn right and walk 26 feet, then turn right and open the door with the 'Men's Room' sign. I'll leave the rest up to you."?

Obviously this level of detail is completely unnecessary. However, too often with the current IT/Business dynamic, it feels exactly like that when IT presents results that it believes fulfilled requirements, but in reality fell far short of the business group's expectations. The business unit may be left thinking that its requirements were clear and obvious, and that mention of minutia is just as unnecessary as in the anecdote above.

Outsourcing Has Introduced Communication Static

Outsourcing to non-English speaking countries can provide significant cost savings, though the financial benefits have shrunk in recent years. Depending on a company's financial arrangement with an offshore outsourcer, the skillsets may be better than what you could get onshore at the same, or lower cost. If the focus is solely on lowering costs, regardless of outcome, these skills may be worse than what is available onshore. Managing these relationships is key in minimizing language nuances and accents that cause the inevitable 'lost in translation' discrepancies.

Many Current IT Technicians Have Never Held A Business Position

It's hard to fault IT developers and programmers for completing a client-reporting project where bond prices haven't been multiplied by 100, or presenting a 20 question User Interface on 20 separate screens. Perhaps IT wasn't told that bond pricing is different - they were only informed that Market Value = Units * Price. Also, maybe IT wasn't told that branches had limited bandwidth and that every screen refresh required two to three seconds.

IT technicians don't know what they don't know. In the past, since many technicians came from the operations/business side, they had an understanding of business flows, and were able to be active and proactive participants in the final solution design. In the current environment, an IT response is often, "Well, you didn't tell me to do that, and I can't read your mind."

PLOTTING A COLLABORATIVE COURSE FORWARD

Given the current challenges and obstacles impeding IT and Business projects, what can be done? Recognizing the environment for what it is, stakeholders from both sides would do well to improve communication, since that is at the core of most issues. Several recommendations that work to restore the link between IT and Business teams include:



1. Provide Context

Business teams should not assume that IT staff assigned to the project knows what the business does and why. The business should step back and give IT as much context as possible. By not taking for granted what may be unspoken and obvious to the business, future issues may be avoided, or at least minimized.

2. Ask for Playback

Servers in restaurants repeat orders they've received from customers. Why? Doing so demonstrates an understanding of the customer's order and offers a chance to clarify any potential areas of misunderstanding. Asking often for playback as to what IT believes it heard from the business and why IT was asked to do it can resolve potential miscommunications. Business teams might be surprised at how often what they believe they said is reiterated by IT as something completely different. This gives both groups the ability to fine-tune the message and correct any misunderstanding.

3. Eliminate Communication Obstacles

If communication friction exists, deal with it immediately. The longer that an issue of this nature persists, the more corrosive it will become, eventually putting the project at risk. The best way to deal with this is better-informed liaisons that can communicate effectively between IT groups and the business.

4. Teach IT

Spend the time and resources necessary to teach IT staff the company's business. This is a cultural process that will bear fruit exponentially going forward. Some might argue that IT is an expensive resource to take offline for any amount of time, however the return on investment is significant. For the sake of current and future IT project development, particularly those affecting client-facing groups, it's an investment worth its weight in gold.

CONCLUSION

People feel the pangs of nostalgia for what they refer to as 'the good ole days'. When it comes to IT project development, the good ole days of the 1980s showcased the ability of IT and the business to work in sync to complete projects timely, within budget and with minimal issues. For both IT and business teams, this reflected a desire to align interests and work together, something found in short supply in the current project landscape.

Identifying obstacles and challenges is a good first step in overcoming deficiencies. By following the relatively simple recommendations outlined in this paper, financial services firms can bridge gaps between IT and the business, and in the process, provide a long-term, scalable solution for restoring the once harmonious landscape of IT project development.

ABOUT MERADIA

Meradia Group is a professional services firm that helps companies in the financial sector maximize operational efficiency and manage change. Meradia has been leading and executing all types of strategic initiatives since 1997 with an emphasis on data quality, automation, and cost-control.