Center for IT & eBusiness

IT Executive Exchange

Marketing the IT Function to the Business

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Executive Summary

Creating a strong service climate, a new concept to the IT field, is a cornerstone for marketing IT to the business side. Unlike culture, climate is something that can be changed by deliberate managerial actions. The necessary but not sufficient condition for marketing is a strong service climate, i.e. meeting and exceeding users' expectations. The IT governance processes in place are a key element of this activity. Marketing itself involves communicating what is being doing, getting user feedback, and managing expectations.

Among the many good ideas shared included the following:

- getting everyone in IT to take responsibility for good service;
- upper leadership setting the example;
- sitting users and developers together to ensure strong communication;
- using this same principle to ensure appropriate communication at appropriate levels all the way to the CEO level;
- engineering the budgeting process for flexibility and transparency;
- understanding the bigger picture about how all requests fit together;
- publicizing real-time project status on a portal;
- implicitly and explicitly managing word of mouth about the IT function;
- using blogs, open houses, IT fairs, technology briefings, surveys, and interviews with users on site;
- explicitly educating users so as to set user expectations.

*The **IT Executive Exchange (ITEE)** is a group of IT Executives and College of Business Administration professors at The University of Akron that meets about every six weeks to discuss pressing and leading edge IT issues faced by IT executives. The purpose of this forum is to have a healthy exchange of ideas that will be useful to all attendees. It is sponsored by the Center for Information Technologies and eBusiness (CITe) of The University of Akron's College of Business Administration. For previous topics and summaries, refer to http://cite.uakron.edu*

This summary was prepared by Prof. William McHenry, CBA, The University of Akron.

Complete Summary of the Session

Research Presentation of Ronnie Jia

The meeting began with a short presentation by Ronnie Jia. Ronnie graduated from our MS/Management (IS) program in 2002, entered PhD studies at OSU the following Fall, and moved with his then advisor to SIU (Southern Illinois University) in 2005, where he is completing his dissertation. He is studying the idea of "service climate" as applied to the information technology function. While "service climate" conceptions have been applied to a number of other areas, including some within IS, no studies have been performed with respect to creating a climate that will influence the services offered to end users. Climate is defined as "Shared perceptions of employees concerning the practices, procedures, and kinds of behaviors that get rewarded and supported in a particular setting, or simply, shared perceptions of 'the way things are around here'." Unlike culture, which is a "…deeper phenomenon based on symbolic meanings that reflect core values and fundamental ideologies and assumptions,"—and that is not easily subject to manipulation—climate may be altered by specific managerial actions. These policies may include exposure to the same policies or leaders, social interaction and social construction, and attraction, selection, and attrition of members over time.[1] At this point Ronnie posed a number of questions to the group:

- Does service climate exist?
- Is it something you have thought about, are aware of, have managed to create or improve?
- What elements go into a good service climate?
- What do you think the outcomes would be?

[1] Other research studies have looked at "climate *for*"—e.g. the climate for creativity can influence the creative behavior of professionals. Climate for service quality in IT has not yet been studied. For citation information, information about how to participate in his research, or other information, please contact Ronnie Jia directly at: ronnie@siu.edu.

- How does the concept of service climate aid marketing the IS function to the rest of the company?

The subsequent discussion began with some direct questions for Ronnie Jia. Then the group discussed techniques to ensure a good service climate, along with means for marketing the IT function to the business.

Questions about Research of Ronnie Jia

Climate is a new concept to IT services research. Ronnie has published a paper about the conceptual framework that has received very good comments at academic conferences. He is ready to conduct a survey at corporations willing to participate. The output will be a measurement instrument for the organization to measure the internal service climate.

Q: *How do internal customers to IT feel about IT? "To heck with climate, just get this done," or "you've been much maligned and I'm here to embrace and love you"? What does research say about that spectrum?*

A: Users don't care what management techniques IT uses, the users care about on-time and on-budget. But to do this, the IT department has to look at certain techniques and principles, and IT service climate is conjectured to be one of those concepts that will be helpful. In initial phases Ronnie has interviewed executives on both sides (IT users and executives), at four central Ohio organizations. These qualitative interviews led to the development of a survey instrument, which has also been pilot tested.

Q: *Service culture and climate have been used interchangeably as terms. Why differentiate? Is it easier to change service climate than culture?*

A: Ronnie notes that a number of consultants will say they are measuring culture when they are really measuring climate.

Q: *Is it an academic nicety or is it a practical distinction that makes a difference?*

A: Yes, this distinction is important to academics. On the other hand, the word "culture" is overused.

Q: *Is climate easier to measure than culture?*

A: Culture is much deeper, something more implied, something harder to measure. Climate is easier to measure. Furthermore, saying you are going to change service culture immediately brings about resistance, as one participant noted who had tried to initiate changes in service culture as soon as he arrived on the job. The reaction to the idea of changing service culture was that it was too big a thing to change. Service climate might have been a different story.

Ronnie says he has done 13 interviews with IT executives and a pilot study with a Columbus OH company. The focus is on "practices, procedures, and kinds of behaviors" that may have an impact on customer outcomes. General themes found so far: 6-7 said that they had a service vision for the IT department. The IT department needs to be flexible and adapt to new customer / user requirements. Treating customers in a respectful and professional manner is complementary to that. Also communication has been emphasized. And customer feedback. Many have actively solicited customer feedback in various forms, like joint sessions talking about good and bad things. Service evaluation was also brought up in a number of the interviews as important. You measure what you get. So if customer outcome (service quality outcome) is something you measure and that is linked to their evaluations and compensation, people pay more attention to it. That is one of the HR practices that may be important. Also leadership practices. Leading by example, focusing on issues that facilitate the employees' work, etc. These are the general themes that have emerged from initial work. Based on these themes a questionnaire has been developed and is waiting to be administered in participating organizations.

Q: *Do the service climate ideas/research also apply to HR organizations?*

A: Yes.

Making Sure There is a "There" There

The discussion from this point on alternated between discussing means to establish a strong IT function that would be recognized as such by the users, and direct and overt means of marketing IT. Service climate was said to be a bigger topic than just marketing of IT to the business organization. Marketing is just one part of the overall job of making sure that perceptions and reality are aligned. Besides the internal IT climate, there is the external climate among the business users about the perception of value. Rather than follow the linear flow of the discussion, this summary groups each of these two topics together by the ideas that were expressed for achieving each goal.

Ensuring Excellent Functionality

It was noted that the leaders (CIO's, etc.) will set the policies, but it is up to the lower level personnel to actually do the work (coders). How they interact with individual users (or not!). It is important to study these employees' perceptions, motivation, their view of working with customers and providing services. For example, the help desk is a window to the customer base. If they come off as not knowing what they are doing, that's not a good climate factor for customer perceptions.

Another challenge is getting everyone in IT to take responsibility for the services offered the client. A lot of department members might see those interactions as the purview of the help desk, but it is everyone's responsibility. For example, if the network goes down, there may be a tendency to blame the network guy. But it is all of IT's responsibility, because IT provides services to the client. Make sure the customer is happy; YOU get it solved. One firm said that they do customer incident reports, where they take people who were involved from all across a project, including developers and users, get them in a room together, and talk about what happened on the project. This is a safe forum to talk about what happened, what the impact was, what the customer felt, etc. When do they do this? What prompts this? It can be bad experiences and it can be others that are (randomly) selected. Do they do it all the time? It's like after action reporting in PMBOK (Project Management Body of Knowledge). It's not about placing blame, but about how can we avoid this next time.

Climate tends to come from the leadership and its behavior. They set a tempo and a climate. Subordinates emulate that behavior. This person recounted a story in which he was sitting at lunch with the CEO who complained that people came to work at 9 AM. When did he come? Oh… 9:15 or 9:30. If you want people to come at 8AM, you come at 8AM. They'll come. You be responsive yourself if you want your staff to be responsive.

It's harder if you have a large organization. If you have 1000 people in IT, you have as many as four levels of management. You can have different pockets of climate. The main issue is how to get 30 managers to understand this effect. One of the participants saw this happen with a 400-person IT department. The good climate can cascade into the organization. But, managers tend to hire people just like themselves. So if a service level climate is absent, these managers may bring in people who also do not have a good service orientation. Then it's an uphill battle.

A portal project was described in a firm with an aging workforce who did not want to change. They developed a Rapid prototyping methodology (called RAID). During the last five days of development they combined a core team of users, two developers, a manager and the project manager. They stayed in the room for five days. The business unit team would test the application. The developers would build it on the spot. The goal was that by the end of five days 80% of the final changes would be done. It was the first time developers sat with users. Users would say "Oh we needed to import a spreadsheet here, we forgot." And the developers would be like: "well this is really hard for these reasons." So the users could understand that there are a lot of issues to making things work. You don't just program five lines of code. There are code reviews, there is a standards team to make sure everything is done according to proper procedure. At the end of five days every single team said WOW. As part of a marketing effort a senior VP was captured on camera saying very positive things about the portal. They put this on the portal and others were able to see it.

An opposite experience can be as detrimental as this was good. On the user side there may be a perception such as "I can never get good IT help"; can this really be changed? Ronnie asserted that it is difficult for IT to change this core perception. There were some wry chuckles as the opinion was express that if you don't deliver when you say you will, you will change perceptions—for the worse!

IT Governance

Another executive pointed out that the business should manage the “expectations” of the IT department. The idea of this firm was to treat IT as an internal consulting firm with 100% chargeback. Each budget level executive approved the budget for their clients. Once a year they would sit down with clients, see what they wanted to accomplish that year, fund all that, and put it into the hopper. So they know that you are going to work on 10 things and those 10 things will be completed. Any surprises or “bombs” are communicated back to the user, and the users are “asked what do you want to drop.” The CEOs would drop the bombs. This executive would go back to the customer and say “your project will be delayed six weeks because the Chairman of the Board wants to do a website. You can negotiate with him, but it’s not my responsibility to decide.”

Another example was given by another executive that involved two accounting directors (controllers). One wanted a fixed capital system to be finished, the other wanted something else. The controllers wanted IT to decide, but IT insisted that those two managers talk it out. Another participant added: it’s up to the business to set the priorities. Another executive also mentioned having cases where clients wanted IT to make the decision, but he said that the business must make the decision (it’s about “IT governance”).

Other ideas of things to improve perception? At the end of the day it boils down to great customer service and the perception of it. One way to provide great customer service, as recounted by one participant, was going to the business side, including to the VP level, and seeking out the work going on there, asking them what they needed, how can we help, or educating them / explaining to them what IT could do for them. Or if IT heard about an issue these IT people would go to that group and see how they could participate. Even though there was a backlog the perception could still be changed. Simple things like trying to be more visible to the organization. They are in one building and everyone else is in another so they send people out to participate in meetings, maybe they don’t add a lot of value, but this increases their visibility. If they can afford the time for this and can participate, they can listen to the real requirements, and try to be the advisor. The IT participants in these meetings are asked by the CIO not to say what IT can’t do, but to just talk about what the possibilities are and defer negative news. This seems to have good results.

Going to the users yearly and asking them what resources they need for the coming year is helpful. The idea is twofold: first get clarity about the total budget and how will it be divvied up, then rely on transparency and communication. Sending messages like: “you said this, we deliver this, you are paying for this, you prioritize it, it is our job to deliver and provide consulting.” At the end of the day it’s the business users’ money. Communication is essential. Sometimes people several levels down the organization have no idea that the budget process took place. Their executive VP will say “I’m not paying for this.” And then someone says: “you IT guys are knuckleheads, you don’t do anything for me.”

Another organization said that it gets buy-in at the senior management level, everyone does budgets, “everyone agrees and sings kumbaya and away we go.” At the VP level they won't complain but when it gets to the line managers everything is OK for the first few months while marching down the road. But then they come up with their own ideas of continuous improvement, etc. etc. At the line level management level is where it starts to fall apart a little bit, and going back to "what we agreed" doesn't have the same resonance. Documenting what you are going to do for all customers with statements of work and charters is critical.

How it was managed at one firm—the CIO knows the 10 things that IT is going do for a certain department (treasurer). But he ended up with 60 things that were his goals and objectives for that year. They were disseminated to developers and web engineers. And there was a similar process in that treasury department. For example, there was a person in treasury who had a goal to replace the cash box application, so everyone was working on the same 12 cylinders. Every month IT would meet with the client, ask him how are we doing on this, she would bring her people, so everyone was involved in getting this done. So they went right through into the review process. IT participants got graded on a 1-5 scale. If you were lucky you got a 1, if you didn't want a job you got a 5.

Another IT executive said: what has worked well is going through a yearly budget cycle and the deliverable out of the cycle is the expense and capital money that goes into a "checkbook." You put a governance process in place that allows them to spend the checkbook any way it makes sense to them collectively. Cross functional teams are used so all parts of the business are represented. So at the end of the year you may not have done what you thought you were going to do at the beginning, As long as you didn't spend more than what you said you needed the senior executives didn't care. And the business side was satisfied with how it was spent. If the governance committee couldn't agree then it escalated to higher levels. In most cases this executive found that the middle level managers would agree. If you get them together and explain what each project will do they will in most cases agree "his project is more important than mine." It's nearly impossible to know in January what you are going to do in August.

Another procedure that helps set expectations: one firm has people who report to the CIO and also report to the line managers and sit in their staff meetings. This brings about much better alignment, which brings about better expectations. IT knows quickly when directions are changing, unlike the previous situation. That's a big change that this firm has been trying to make over the last year. The CIO reported, "At least we are in the game now. Inroads are being made."

When you have someone at the table it is much easier to manage difficult situations. But it does matter if you have people at the same level of the corporation at the table. One firm had people from IT who were 2-3 levels down, and they got ignored at the table.

One tendency is to believe that if you are not hearing bad things, then everything must be OK or good. But you have to tell the users the good things explicitly. And make sure IT is in communication with same-level counterparts. One of the participants sits on the strategy council of the firm. And this allows him to have the needed visibility. Joint teams for collaboration with IT and business people are important. Business people don't develop code but are involved in business analysis all the way through testing. The biggest challenge is not understanding the single requirements of one user, but seeing that various business side managers themselves may not be on the same page—then IT doesn't know to whom to listen and cannot resolve the discrepancies. How to do this? You cannot stay out of it, this executive says. Everyone has IT requirements, and there is a pipeline of projects and stuff has to come out.

"The best marketing can happen when bad stuff happens" – the example was given of an insurance company that can have its biggest impact when a house burns down because the home owners gets such huge relief from the insurance check. One participant firm had a bug in a program that cost the firm money over a period of nine months. IT had to acknowledge the error first, and then do everything they could to fix it. Unfortunately in many of our corporations, another participant said, it's all about blame. Finding someone to pin the blame on, not about admitting where a mistake was made. Finding another department or person to blame.

Senior executive teams need to be working well together. They are often dysfunctional, they do not trust each other, they are defensive, and they are focused on each individual area and not the enterprise as a whole. This participant's firm is trying to build a functional team; everyone should be worried about the institution first. So IT is part of the CEO's team, not IT is the first team for the CIO. In a company where this did occur, it had powerful results. Everyone trusts you are trying to serve the enterprise. The attacks subside dramatically. He worked in a firm that went from $20M to $600M in sales in 14 years. They did it by doing having a high-functioning management team. It was acknowledged that mistakes are OK. There were no hidden agendas, participants were totally honest. A book reference was offered: *The Five Dysfunctions of a Team: A Leadership Fable* by Patrick M. Lencioni. How do you get rid of them? Read the book.

There can always be one or two business leaders who drive a negative view of IT. They may not understand it very well. You can deliver until you are blue in the face and it doesn't matter. You can show benchmarks, but they don't matter. And that can poison the whole atmosphere. So maybe delivery is not everything. Being professional may not be enough. Another person has seen this kind of executive. They usually implode.

Marketing IT to the Business

Look at the four P's of marking. PRICE – are we priced competitively, are we cost efficient, PRODUCT - do we deliver quality. PLACE – are we centralized or decentralized, do we have people located in the business units. You can get a lot of good insights with people there. PROMOTION – this is good communication. Put these four points in the plan or on a balanced scorecard and you will be doing marketing.

Communications about What is Being Done; Marketing Per Se

A lot of times it comes down to communicating to the users what the IT department is already doing well. If they don't know about it, they will not have the correct perceptions of IT. (Note that here we spoke about this as an explicit strategy for marketing, as opposed to a means to ensure the delivery of excellent service.)

Business clients need to know what is going on (the more visibility, the better). Another example was putting real-time project information on a centralized portal for every business unit. This was on-demand project status information, available to executives from everywhere. This helped create a better climate between clients and the IT department. Expectations were set at the beginning and then were maintained by the information provided. All the senior managers have "crackberries," and appreciate knowing that they can find out about the projects' status wherever they are. This IT department did a lot of reporting with red-yellow-green against the milestones.

One of the participants met the author Malcom Gladwell (*The Tipping Point*). In this person's IT organization, they got lucky in having a few influential people around the organization (not in IT). This included senior executives all the way to an order management professional. Everyone looked to these people as the bellwether about how things were going. Listening to Gladwell, he thought that more by luck than plan, they benefited from improved perception or climate by a combination of people talking about things that have gone well, versus marketing they did themselves. This participant stated, "They did it for us. We still have to do it, but we didn't have to take on the whole organization. If 5-10% (I don't know what the magic number is in every organization); if the right 10% will move 70% (not the last 10%). The tipping point is some number of people that can market this thing for you, and that is not always us publishing newsletters and telling them how good we are, they are saying it. It is much more effective from the mouths of the clients."

The best thing that can happen is that one of your clients is talking to someone else and says "You need to go talk to so-and-so in corporate IT. He did a wonderful job." So once again, it boils down to providing services that meet and exceed expectations.

One participant had similar success by running a subversive viral marketing campaign. This has been the most effective thing. It does not have to be senior management that does it. It can be someone who is an opinion leader. Another organization had a tipping point like that with a project. They had a project where they went to a hosting solution using Oracle that had a lot of problems. Then users thought everything IT would touch was a disaster. The tipping point came when they turned on a foreign operation and one of the people there had come from a major competitor. That other organization had had a nightmare Oracle implementation. And the new employee said "this was a dream compared to what I was used to." This phrase propagated throughout the whole organization so that Oracle is OK now. The company he had come from had had to report $200M losses because of the failed Oracle implementation. So it works both directions, negative and positive. The positive side can be harnessed.

Going back to viral marketing, how did the company that was mentioned do it? Are there other examples of this? The strategy at that company was that the leadership team of about eight people, along with a very small number (3-4) of key IT people (they could be anywhere), would share key messages all the time. Every week there was information about positive stuff going on. They would informally take that and bring it up at a lunch or at the staff level, targeting a key influencer in the business and talking about it. It was very informal, nothing in a really overt fashion, e.g. hallway conversations. The list of points could be called "talking points." Part of the job of a couple people was to organize this covert group. They did not track results to the degree of how many conversations were held but they saw the results. It took time. Three months into it they questioned if there was value, but six months out they saw results. [But wouldn't this blow up in your face if an email went out saying the IT department was seeding conversations with talking points? Doesn't this make it risky?] [Gleeful laughter] For some reason they didn't think it was overly risky. They don't even use the word viral marketing any more, they just do it. "We're past the point where it could blow up," this executive thought.

Have organizations considered using blogging as a means of selling? Not yet. One executive has put a lot of thought into whether this will make sense. A few comments were: "good idea" and "another communication vehicle." There was some laughter about what would happen if corporate lawyers became involved.

Another participant had tried bulletin boards as a means of getting information out (this was in the early 1990s). This is a like a blog. He found out that 300 people in the organization are not enough to drive; you would get 10% of the people who would take the time to type stuff out. Blogs may be more popular, but he would like to see how it works out.

Do we really know how to market, another participant added? Higher education does research well, the private sector does not do it well. There is literature out there that does talk about true marketing of IT. (See http://www.ouellette-online.com/ and books such as *IT at Your Service* by Ouellette. This book seems to be out of print but used copies are available.) This executive noted, "It goes well beyond the procedure stuff. That's just part of the way we do business. There is an opportunity to market. There is literature out there that can teach us how to do it."

When you have a 3-year backlog, why market? There is no competition. (Competition is coming from China, India, Philippines, etc.) This is controversial. In one firm they competed with advertising and marketing firms who would throw in a website for free in exchange for business. But in this firm the internal IT organization got the right to bid on these jobs.

Maybe we shy away from the term marketing because of its negative connotations, another participant added? But we know we have a good product to offer and we need to be competing for the attention of everyone out there.

What about having an open house, an IT fair? It can be good. But the people who show up are the insiders, the buddies of the IT people. The usual suspects. But they also had an IT mixer with IT and business people there. Like a golf outing with drinks after. That really helped build relationships. People could talk to people outside of their daily roles. It forged relationships that had never been formed before.

Another firm is asking vendors to come in for technology briefings. They have been fairly well attended.

Getting User Feedback for Marketing Purposes

The discovery process about service climate can be seen as a branding exercise. Compare how the users see the IT functions and how the IT people see the IT functions. See if there is a “brand disconnect” between what you think you are delivering and what your clients think you are delivering. You can get a lot of insight this way because you don’t often look at yourselves from the outside in. We need to see this as a marketing and branding function. What does our brand promise? What do we do every single day to fulfill that promise?

One firm understood that “The reality is the perception versus what we deliver.” So they are doing surveys. They started with general surveys, every six months. Then six months later they would report back to the users: “We heard from you, how did you like what we changed since the last survey”? But they got away from these more general surveys to do very specific ones related to specific projects, such as point of service surveys. If someone calls the help desk, they ask them once a month or once every so often and they look at results in leadership meetings. They do this with projects. Those measurements help see how it is working.

Surveys tend to measure the tails of the distribution of opinions, i.e. what is really good or bad. You miss the percentage in the middle of the curve. Surveys are needed but you need to touch the client in other ways, such as sitting down with clients face to face, having forums, and talking about services provided. The difference between face to face and the survey data are quite large. There are many ways to collect data.

Another firm has been through a big IT initiative. This executive traveled to two plants and plans to go to four more. He took copious notes, gathering five crammed pages (12 interviews) at one site. Something more formal would not have worked as well. The people may not have liked something or they may have loved it, but he realized there is no substitute for face time, turning off the phones, etc. He said, “my business counterpart was there so they though we were a team, this has been huge. I’m not sure I would ever use a survey. I would not have gotten this kind of context, the context was more important to me, we could miss on a third of the things they asked for and it won’t matter that much because at least feel that they have been listened to. Some interviews went 20 minutes, others 1.5 hours. We can’t do all the things they want but there are a few we can do right away. A few things were like 10 minutes later they were done. How could this have gone this long? We have been doing something else but it did not occur to us until we did these meetings. We had been doing quarterly town halls with a business leader invited, and then IT gets invited to theirs. Now we are thinking of doing town halls with the user community. Very informal, folksy. Maybe that's the corporate culture. People are calling and thanking us. They say, I didn't realize that button was up there I didn't see it during the training." This worked in a firm with 2,000 employees, would it work for 20,000? Not clear. If they had put something on a survey you would not know what users meant when they answered. For example, if the users say a system is slow, well what do you mean by slow.

Another firm does a lot of surveys. Surveys are needed for a quantitative picture over the years. They also do face to face. Even admitting to the business that "we are weak here" can go a long way towards making things go smoother. All of a sudden the tension, the issues, etc. go away. Just acknowledging where you are was very helpful for that organization. Marketing doesn't have to be marketing something that is good but it can be setting the agenda for the future. One person had been on the job for one month, and got a leadership team of 100 together. He put a number on a PowerPoint slide, and said "that's the number we are spending on IT"—there were gasps. He asked, "How many of you are satisfied with that?" No one raised their hand. This got them in the door. Are you better off than you were? Go back five years, seven years, those of you who have been around—they will ramble for five minutes on that. Marketing can also be telling people about stuff less pleasant—it builds confidence.

Managing Expectations

Is managing user expectations a lesser thing? One participant said that his biggest problem right now is not his internal teams, which are highly motivated and ready to really work (to go the extra mile, seven days a week, from home) for the customer. But they are overwhelmed because the users expect so much more than they can deliver regardless of how much they work. There is a component of the user world—they are lean, have "six sigma" initiatives going on—that thinks that as soon as they come up with the idea of automating something to provide more efficiency/effectiveness, IT will be able to do it rapidly. This firm did an exercise where they looked at every project in the log, measured how many hours it would take, and then communicated to the organization that they have a 3-year backlog for the capacity they had. Even though the organization recognized that, they still were not happy. He noted: so a big part of marketing is setting expectations as part of making the service climate change. He said, "Whatever I do with my department, it doesn't matter—we could jump off a cliff for that matter—and they still would not be happy with us. Measurements of individual interactions—they have always been very positive—John and Jane did a great job—but later they hear, I know John and Jane were working hard but this project wasn't done. So how to reset the expectations of the organization? The conversation with the CEO: you (this CIO) have to reset the expectations, not the CEO."

Communication about IS is a part of managing user expectations.

The way to change perceptions is to do what you say you're going to do. Deliver. If you do it when and how you say, the perception comes. You don't get the perception without this base. But, how to gain higher perception if the reliability, quality is there (a necessary but not sufficient condition?). Through education about expectations.

A firm went through a large CRM implementation. Speed was a big issue. People were saying it is slow, slow, and slow! At first it took a long time to do a search. But IT had reduced the time needed for a typical search to three seconds. The users still viewed that as slow. Slow relative to what? There was a big need to educate the organization. It had been 60 seconds and they got it down to three, which was less than the targeted specification of five seconds. So they had to re-educate users that just because you can go to Yahoo and it pops open in two seconds, it does not mean (it's possible here). Who said five seconds would be OK? The users said this. Everyone acknowledged it and agreed to it. Was it set at the national level? No, it was at the user level because they were so involved. It was an interesting exercise in human dynamics. Sitting with users, sometimes they would say seven seconds was slow, and this might happen one time out of three days of work, but so and so said it was slow. So they needed to quantify it. So they put a scripting program in every office around the world and measured the response time 24x7, aggregated the transaction results, and showed bar charts about actual performance. After three weeks of showing data that even at peak usage times the response time was only hitting 5 seconds, the talk quieted down. It would never have gone away otherwise. This executive continued, "Then people said oh, OK. Then senior management could relate. But the need was to educate and communicate. It was an expectation setting thing. A lot of their barometers were what they could pull up on Yahoo. Then you have to remind them sometimes."[2]

Another participant: we do try to educate the user into what they really want, what they mean by it, what to automate, what to not automate. This firm has a lot of growth pressure. There are only so many resources in the pot. So the business side thinks they can get efficiency by automating. So there has to be a lot of communication that helps educate and set expectations of users. Are users asking for something that is reasonable? A requirements definition phase is new for some of our groups. Our engineers are finding more and more IT in their jobs.

[2] Maybe expectations had changed? Maybe five seconds was before they were very used to Google or Yahoo? Maybe their standards were changing? And people's perceptions are anchored by the first statistic they hear about it. Prof. McHenry posed the question of what is the percentage of retail sales sold now on the web. The group guessed around 5%, which is pretty accurate. So this is a well-informed group. In his classes one student will say 50% or 70% and then others will follow suit. And then he ask them, do you have trucks coming to your house delivering goods for 7 out of every 10 things you buy? Laughter. The group thinks that maybe these youngsters do order everything over the web…

Next IT Exchange Ideas

We went around the room and brainstormed challenges. Not only is this a good list from which to derive future topics, it is also a barometer of challenges faced by the CIOs right now. Some of the ideas floated were:

- Microsoft's VISTA/Office plans and their impact on IS organizations
- The pain of owning ERP/upgrade cycles
- Retaining legacy asset knowledge, such as the ability to handle COBOL programming
- Creating pooled IT research and development through a university-industry consortium
- Implications of outsourcing early career roles—where will IS executives who can be promoted from below come from in the future?
- Benchmarking standard service levels
- Getting an IT strategy direction into the 3-5 year corporate plan (i.e. a roadmap)
- The "resource stretch" – ideas about how to manage capacity in an environment where resources are always too few and demands always too many

All of these were very interesting topics, but the one we picked was:

Doing More with Less: Strategies and Techniques for Making the IT Dollar Go Further

One thing you do not hear from CIOs is that their budgets are too big. Over the past few years IS departments have been called upon to reduce spending while producing more. This ITEE meeting will consider ways in which the participants have addressed this question. Professor McHenry will "seed" the discussion with a short presentation of four categories of responses that have been outlined in the IS literature.

DATE: October 20, 2006, Time: 3 pm -5 pm, Murphy Room (CBA 258)

