No Measurement Means No Management

By Faisal Hoque

In 2004, Symantec Corp., a powerhouse in the security software market, merged with Veritas, a leader in enterprise storage management software. The $13.5 billion deal—the largest in the IT industry to date—promised to unify data security with data storage, creating a series of holistic products that ensured the confidentiality, integrity and availability of data critical to business operations. Numerous technical and operational challenges confronted the two companies as they came together, but perhaps none greater than unifying their product ordering system.

Veritas grew up as an enterprise-oriented company, whereas Symantec was borne out of the consumer market. Their respective pedigrees meant that their ordering and product processing systems were built with different assumptions and expectations. Given that both companies were heavily dependent upon third-party resellers and distributors for sales, the ordering system was critical to ensure the success of the merger. Symantec dubbed the new ERP implementation "Project Oasis." The company consulted hundreds of partners in designing and implementing the system, and created a project management team led directly by the CIO.

When the system went live in November 2006, Symantec encountered the usual hiccups with any new software deployment. However, the hiccups quickly escalated to a full-blown crisis as users couldn't figure out how to navigate the new system, which was also failing to correctly process orders. Making matters worse, the company's support network of help-desk and technology call centers was overwhelmed by cries for assistance. The situation was so bad that it threw off Symantec's earnings for two quarters and took more than a year of dedicated support to fix.

In the postmortem, Symantec discovered that a perfect storm of errors and poor management assumptions led to the Project Oasis crisis. The company didn't know it was exposing its ERP system to users who had never used it previously and had a different set of expectations. The company didn't coordinate with product units and operations, which were simultaneously launching new products and initiatives that contributed to swamping Symantec's support network. And system designers ended up over-engineering the ERP system, providing users with features and information for which they had little use and that ultimately confused them.

Enterprise implementations of technology often break one of the cardinal rules of business: "If it can't be measured, it can't be managed." Compared to other parts of the business—sales, operations, research and development, human resources, compliance, etc.—technology remains largely unmanaged and transparent. Technology projects are haphazard and inconsistent. There is no standard for their purchase, development or management. They do not enable decision makers to detect and adapt to changing market conditions, and this blindness can be fatal.

The conventional wisdom of technology in the enterprise is that new technology adoption will result in innovation and efficiencies that lead to cost reductions and new revenue streams. The trouble with this point of view is that it assumes stability, whereby organizations step from one static period to another. The reality is that enterprises—all entities, for that matter—operate in a state of constant change. The needs of existing customers, opportunities for new customers, shifting and globalizing markets, new technologies, new suppliers and supply chains, ever-evolving competitors—all of these require an organization that has no doubt as to its mission but does not cling to any one way of achieving it.

While most enterprises understand the need to establish processes for building products and delivering finished goods to market in the most expeditious and efficient means possible, many fail to create standardized decision-making processes. Without business standard and repeatable management practices, enterprises are condemned to reinventing the wheel each time they must assess strategic opportunities or encounter a new challenge to their operations. The process is similar to the progression from commodity to brand: settle on one way to do what is known and reliable, and devote your mental energy to what is new and not yet known—which is where the real action and payoff lie.

Today's enterprises need tools to make sense of technology, to rationalize investment decisions so that they are centered in operational excellence. They need to know when spending money makes sense and when it doesn't. They need to trust that when they pay huge sums for technology it will actually work as intended.

Some people may think that management processes squelch innovation and creativity. Much to the contrary, sustainable management processes open the lines of communication that empower people to share new ideas more quickly with key decision makers within an organization. These processes are not the fuel of business, but the regulated engine that ensures businesses efficiently burn their fuel.

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