



LEADING THROUGH TRANSITIONS: IT SYSTEM CHANGE

How do you successfully navigate a major IT system change?

You've determined it's time for your company to change to a new major IT system for strategic reasons or to accommodate growth or changing technology. Transitioning to a new ERP, customer service system, web-based sales, or other major system is both costly and risky. If not done right, the changeover



can delay business, drive out customers and employees, or damage your brand. In this edition of *Executive Issues & Insights*, we explore key

insights drawn from the extensive C-suite and Board experiences of the NextLevel team on how to successfully lead your company through an IT system change.

NEXTLEVEL CASE STUDY

Large healthcare company overcomes migration challenges to new transaction platform

A large healthcare company had consolidated seven disparate homegrown core transaction systems into one unified vendor-developed platform. When customer migration was 30 percent complete, the project team turned over daily operations to the production team to run the system and finish the migration. However, as migration progressed, system performance declined with multiple daily customer-facing outages, including one outage that stopped all processing for over a week.

The company VP for IT Security, now a NextLevel team member, was tasked with bringing the system back online, completing the migration, and rebuilding trust with key stakeholders. Her first step was to engage hardware and software vendors along with the company's IT team to make incremental changes to get back online. Once that was accomplished, she met with key business stakeholders and collaboratively defined

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NEXTLEVEL INSIGHTS

Have a strong corporate sponsor

A major IT system change is a business issue, not just an IT issue. It must be owned, run, and managed by the business, with IT as a partner. A strong sponsor such as the CEO, CFO, or COO should own the project and be ultimately responsible for it. This process can be long and arduous, so you need commitment and buy-in at the highest levels.

Dedicate sufficient employee time

Companies often don't understand the commitment of resources that will be needed for a major IT system change and are reluctant to pull key people out of their business units to be dedicated to the initiative. Be honest about the resources that will be needed and conservative in your capacity planning. The initiative will need careful project management, with clearly assigned responsibilities, accountabilities, and deadlines.

Ensure new business processes are adopted

Failure to adopt and commit to new business processes and workflows is a main cause for IT system change to fall short of expectations. Be upfront about the impact of new processes and workflows on individuals, and make any difficult decisions around them quickly and decisively. Continue to reinforce the new processes and workflows through training after launch to ensure employees don't revert to old, inefficient processes.

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system performance objectives. The team created a prioritized roadmap targeting over 30 key performance improvement points. Simultaneously, they updated operational processes and created actionable metrics to measure system performance through multiple daily processing points. She also formed a cross-functional technical team that included key representatives from all system functions and vendors, and a business oversight committee that regularly reported progress and solicited feedback.

After several months with a dedicated team executing the plan, system performance improved and the remaining customers on the legacy system were migrated to the new platform. Daily customer impacts were eliminated, and stakeholder trust returned.

The system migration resulted in a threefold increase in processing throughput, reducing in half the time from processing to payment. It also eliminated daily backlog processing, freeing the technology team to deliver new business capabilities, such as integrating new market-facing services ahead of their top competitor.

“THIS IS NOT JUST AN IT PROBLEM. IT HAS ALWAYS BEEN TREATED AS AN IT PROBLEM, BUT IT’S A BUSINESS PROBLEM.”

The business unit works with IT as a trusted partner, but ultimately owns the outcome of a major IT system change.

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Mitigate risk factors before, during, and after go-live

Running new software in parallel with the old systems and processes before your go-live date is one best practice for mitigating risks. Offering many opportunities for hands-on demos and dry runs will also flush out potential issues that could jeopardize the rollout. Coordinate closely with the vendor regarding application customization, and train relentlessly and use feedback from business units to understand and fix issues with the application. After go-live, address bugs and complaints quickly to maintain confidence in the new system.

View it as a system development life cycle

A major IT system is like a living, breathing element of your business. The go-live date is just one point in its system development life cycle. For the system to continue to serve effectively, it must continually evolve. From the outset, the business unit sponsor and IT business partner should communicate this view. Reassure business units that do not get 100% of what they want from the new system by go-live that their concerns have been heard and that the system is not static. After mapping the new processes, define future system objectives and follow through with continuous improvement.

KEYS TO LEADING THROUGH AN IT SYSTEM CHANGE

- **Your corporate sponsor:** Will they take ownership of leading the transition?
- **Your employees’ time:** Have you dedicated enough of their hours to the transition?
- **Your business processes:** Are you reinforcing the new workflows and procedures?
- **Your risk mitigation:** Will you address issues before, during, and after go-live?
- **Your IT system life cycle:** Do you view it as continually evolving?

More Information

To learn more about how NextLevel can help you successfully lead your company through an IT system change, call us at (800) 833-NEXT or email info@nlbev.com.

