

CEO's Briefing



CEO's Briefing: Solving Integration Problems

When systems and technologies don't talk to each other, it makes for a complicated and fragmented business operation

Integration problems are as old as IT itself. And so are the problems they bring about. When systems don't talk to each other, it means more mistakes and manual work, and reporting is difficult — or impossible.

Over time people create ways of bypassing these integration issues with workarounds. And then these workarounds, create an increasingly complicated and fragmented business operation.

These problems can be very damaging. Everyone just struggling to keep up. Morale is undermined and growth is submerged. To make matters worse, the problems can be difficult to understand in detail, and even more difficult to untangle. If this sounds like your company, here are the best places to start looking.

The Six Most Common Integration Problems

Freeman Clarke principals most often see the following problems:

1. Loss of money and morale. Inefficient processes erode margins and waste time. It becomes more difficult — and expensive — to provide good service to customers. Errors and delays cause the bottom line to suffer, as well as causing frustration and arguments.
2. Reporting suffers. When there are integration issues, reporting is overcomplicated, requiring major manual effort. Creating simple dashboards for managers around the business is difficult, which makes it harder to delegate authority.



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Managing a successful business requires accurate and timely data — companies without it are stuck in the past.

3. Service suffers. It's not easy to provide good service when you lack up-to-date information on stock, delivery, or products. Your people should put the customer first, but their energy is drained by system problems.

4. It's harder for marketing and sales. Due to lack of data, great ideas never get off the ground. The sales director has a clever idea for a new campaign, but it's almost impossible to crunch the numbers. Or new plans for intelligent cross-selling or upselling are impractical, because nobody can effectively analyze purchasing habits.

5. You can't strategize. Your online strategy is impossible if back-end systems can't provide a simple platform. Without seamless back-office processes, you can't easily analyze product, stock, or sales data; you lack effective product searches and other simple “must-haves.”

6. People become choke-points. Individuals have their own vital lists and workarounds, so they become individually critical to the operation. When these key people are on vacation or sick, then the whole business is affected — and if they leave it's a major problem!

Why Is It So Hard?

The reason integration problems are often hard to deal with is that they are accumulations of small problems, each intricate and complicated in its own way. There may be technical issues, process issues, and people issues as well — and, sometimes, these situations are further complicated by bad habits.

Busy directors just don't have time to get to the bottom of all this. Put simply, there is no-one in your business who has the skills, time, resources, and authority to solve these problems.

Instead, well intentioned people create workarounds — their own special spreadsheets, databases, trackers, or the like. Each one solves an individual problem, but adds further layers of complexity and time-consuming tasks.

Over time, more people are employed to deal with these tasks and, of course, they see it as their job. No one thinks of smart ways to eliminate their own job!

A Strategy for Solving Integration Problems

When looking to fix integration problems, you have a spectrum of options. At one end is a long series of fixes to individual issues; at the other end is a major transformation project. Either way, before you start, strategize:

- What is your ambition for growth? How much do you intend to grow and change the business in the coming years; do you need a platform for growth and acquisition, or can you continue to cope?
- What resources are available? Are you prepared to invest significant resources in projects, or would you rather tackle problems piecemeal?
- How serious are the problems? How much are they really affecting (or in danger of affecting) the business? Is there a major opportunity to reinvent your business, or just an opportunity to remove some irritations?



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“ Well implemented and maintained systems should fit together well. Making this happen and keeping it that way requires focus and resources ”

Before you do anything, your executive team should consider these questions.

In most cases, systems that don't integrate will reveal departments that don't integrate — so this kind of discussion can be quite stormy, as departments may blame each other. That's why there needs to be a dispassionate acceptance of the current realities and the need for change before any constructive steps forwards are possible.

Quantifying the seriousness of the problems may help your team see that focus and investment are worthwhile.

How to Take Small Steps Forward

Solving integration problems needs focused efforts. And this starts with a competent team that has resources and authority. Appoint an executive to be accountable, and give them a twelve-week timeframe within which solving integration problems is their priority.

The time period needs to be long enough to actually make a difference, but short enough that business-as-usual issues can wait, so this project can genuinely be their priority.

The initial focus should be on creating a list of issues with an estimate of the three-year business impact of each, and an assessment of how readily solvable the problem. From this list you can select, say, the top three or four problems with a commitment to solve or substantially reduce them in twelve weeks.

For each issue, consider the following:

- a) Can processes be changed to eliminate the problem? Perhaps small process and system amendments can streamline activities.
- b) Are there people issues contributing? You may need to improve your training programs, or take a hard look at incentives (e.g. sales commissions) that influence behavior? Are there individuals whose roles need to be changed?
- c) Are there incompatible or obsolete technologies that must be upgraded or replaced?
- d) If workarounds are necessary, can they be automated? For example, using Excel macros or templates, small bespoke programs, or other data processing or reporting tools.

More Serious Redesign Projects

Where more serious redesigns are necessary, then you'll need an even more strategic approach. Go back to the beginning and consider how your business should be organized to suit the needs of your customers. For example, automate manual activities wherever possible, unless it makes commercial sense or provides enhanced service that your customers will value.

Then start thinking through the main processes, key performance indicators, and options for back-end systems.

Naturally, if you reduce the number of back-end systems, there will be fewer technical integrations, so there should be fewer sources of potential problems.

A word of warning, though: some systems vendors present their solutions to the market under a single brand when, under the covers, they actually provide multiple products which are not



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fully integrated. So one “product” may actually be composed of many partly integrated pieces of software.

We frequently work with companies looking to solve integration problems. If you'd like to discuss how we can help, get in touch or visit www.freemanclarke.com

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