



Turn Your Technology and Operations in to a Competitive Advantage

Contributor: David Nelms

Technology can be your hidden competitive advantage. Warren Whitney's Technology and Operations Practice Group outlines six fundamental recommendations below to ensure that your technology is appropriately aligned with your business strategy, operates as efficiently as possible, and is ready to support future growth. We offer a high-spot technology assessment to help you identify ways to ensure your technology is supporting and strengthening your operations.



1. Develop a technology plan that is aligned with your strategic plan.

For a variety of reasons, hardware or software technologies used by organizations become too difficult, risky, or expensive to support and maintain, or they simply do not keep up with the needs of the business. It is important for organizations to frequently assess how well their systems are positioned to support their current and long-term needs so that they can stay ahead of the curve. Just as organizations have a strategic plan for their overall business, we recommend that they have a strategic plan for their technology as well. The technology plan needs to be closely aligned with the overall business strategies and functional needs, but it also needs to consider a variety of other factors, such as information security risks, vendor stability and availability of adequate support, new capabilities available within the marketplace, and whether their systems are prepared to continue operating in the event of disasters or other external events.

2. Do not underestimate the complexity of a hardware or software conversion.

At some point, all organizations will need to upgrade or replace their software systems. Some companies will simply upgrade to a new version of their existing systems, while others may look to add new systems or move systems to the Cloud. Regardless of whether projects involve selection of a new ERP/MRP system, a move of business applications to the Cloud, or an upgrade of the version of operating systems or software used on employee desktops, the potential complexity and impact of these initiatives cannot be taken lightly or underestimated. Software conversions rarely go off without a hitch, so organizations need to be prepared to manage the efforts closely and deal with unexpected issues. From the beginning, the projects need to follow some form of structured requirements and risk management processes, and they need to utilize solid project and issues management. Organizations need to allow time for organizational change management and

appropriate staff training. The extent to which all of these things need to happen will vary by project and organization, but they all need to happen. They are especially important when new software is being selected that will make dramatic change to the way key business functions are supported. Above all, before the organization makes an investment in any software change, there needs to be a clear understanding of the expected benefits and a commitment to taking a fresh look at the way internal policies, processes, or procedures may need to change to capitalize on the new investment.

3. Look for vendor relationships that provide a competitive advantage for your organization, not just an expense.

Often management feels that their vendor partners or internal technology resources are not fully aligned with the needs of the business. Conversations often reference personnel who operate reactively versus proactively or that “speak another language.” Possible solutions could include more structured vendor management programs or service levels, coaching and mentoring programs for internal staff, development of policies and procedures, or improved processes for prioritization and project management. Above all, regardless of their role in the organization, companies need knowledgeable resources who actively manage strategy, spending, and day to day efforts for all aspects of their technology systems and resources.

4. Use technology to produce information that creates business value.

Most companies seem to be fairly comfortable with the information and metrics they are currently using to manage the business. Some can get it at the click of a button, while others tell stories of their CFO, controller, or other business area resources locking themselves in an office for a week or so at the end of each month to produce the necessary information from a wide array of Excel spreadsheets. Many have heard the term “Big Data,” but they do not know what it means or how it will benefit them. Regardless of where folks are on the information delivery curve, we strongly recommend that they have a very solid understanding of where all of their information is coming from, the exact meaning and relevance of each key piece of information, how information from different sources fits together, and most importantly that they have the necessary checks and balances in place to make sure that all of the information remains accurate. Similar to our advice related to the overall technology plan, we also encourage organizations to continually evaluate additional ways that they can use information to create business value.

5. When there is a planned or unplanned change in personnel, take the opportunity to evaluate reporting structures, take a fresh look at management and staff responsibilities, and optimize organizational alignment before making a new hire.

When there are personnel changes, management is often in such a hurry to fill the hole in the organization that they just hire someone with similar skills to the last person. This is the best time to consider whether an organizational change or different skills could provide a business advantage.

This is the time to consider an interim IT Director, CIO, COO – or whatever position is vacant – to evaluate and bring perspective before making the next hire.

6. Cultivate a culture of continuous improvement at all levels of the organization, and consider how technology can support it.

As businesses grow, competition increases, or other factors change, businesses continually need to adapt. This involves continually making sure that people, processes, technologies, and information are all aligned. Creating and maintaining this alignment is particularly difficult if it is just seen as the responsibility of senior management. While this need is not specific to any given technology, industry, or project, one of the most frequent recommendations that we make to all of our clients is that they do things to implement an ongoing culture of continuous improvement. Empower everyone within the organization to share ideas on how to make their individual jobs better and improve upon the products or services delivered to customers. Once this culture is established, all other initiatives have a much greater chance of success.

Warren Whitney's Technology and Operations services can help in any of the areas above. Specifically, we:

- Take roles as CIO, IT Director, or COO. We can serve on an interim basis while you replace a full-time position or on a longer-term basis if you are a growing organization and do not yet need a full-time information leader.
- Facilitate strategic planning and technology planning.
- Develop and implement processes and procedures that strengthen your use of technology in support of operations. Often this does not entail new systems.
- Guide you in evaluating and implementing new hardware and/or software.

Please call David Nelms, Director of the Technology and Operations Practice Group, with any questions. We would welcome the opportunity to have a conversation about your organization. Contact David at DNelms@warrenwhitney.com or at (M) 804.513.6581 or (O) 804.282.9566.

Warren Whitney Profile:

David Nelms

David Nelms serves as a member of the management team of for-profit and not-for-profit clients. He works with firms in the areas of Technology and Operations, where he provides services ranging from strategic planning to ongoing management of teams and key initiatives. David brings over 25 years of experience leading organizational change and managing strategic initiatives related to technology and operations.

Management Experience:

David generally assists clients in the role of CIO, COO, or Chief of Staff. In these roles, he is responsible for strategic planning, project planning and budgeting, vendor management, leadership development and mentoring, oversight of internal resources, and management of a wide variety of ongoing efforts. His focus is on helping firms maintain cost effectiveness, ensure regulatory compliance, improve internal efficiencies, enhance strategic use of technology, and maintain alignment of Technology and Operations with corporate objectives and customer needs.

David joined Warren Whitney to build a Technology Practice area after nearly 6 years as Owner and Principal Consultant of Convergent Business Solutions, a Richmond-based management consulting firm providing fractional CIO/COO services for mid-sized businesses across a variety of industries. As part of the Convergent team, David served clients in a variety of industries, including Banking, Not-for-Profit, Long Term Care, Industrial Services, and NASCAR. Convergent's focus and reputation, along with David's leadership experience, made a logical fit for merger with Warren Whitney.

Prior to forming Convergent, David served in senior management roles for a variety of organizations. Most recently, he was Chief Information Officer for First Market Bank, a \$1.4B regional bank with over 35 branches. In this role, he acted as a catalyst for organizational change and built the organization's first internal IT department. During his tenure with the organization, he built a high performing internal IT team from scratch, defined and implemented strategies to ensure regulatory compliance, added structure and cohesiveness to the organization's strategic planning efforts, and dramatically improved stability and capability of the organization's IT infrastructure. Strategies implemented within the first 18 months resulted in savings of over \$1.2MM in annual operating expenses. Prior to his role at First Market, David was Assistant Vice President of Store Systems and a corporate officer for Circuit City Stores, Inc., a \$10B+ retailer of consumer electronics with over 600 stores nationwide. In this role, he was responsible for leadership of teams responsible for creation and management of internal hardware and software systems supporting all aspects of the firm's customer facing retail and inventory management applications. He was also responsible for leading a \$150MM, multi-year legacy systems transformation effort. In addition to these roles, David has worked with regional, national, and international firms to implement technologies, ensure regulatory compliance, and enhance operating efficiency.