The Top 7 Myths of Business Systems

For membership organisations, sporting clubs and not-for-profit organisations
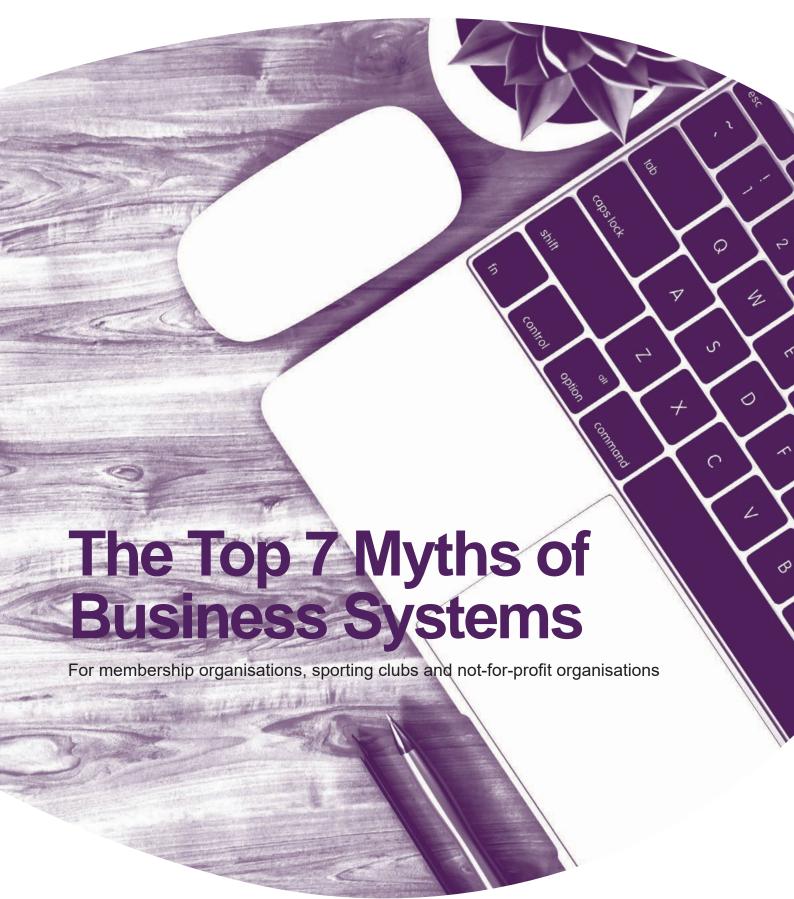
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This white paper at a glance

As one of Australia's leading providers of software solutions and services, we regularly observe organisations making system decisions that they would, with hindsight, say were incorrect. Member organisations with their focus on delivery of their charter goals are particularly susceptible to this behaviour (rather than being setup and resourced as a commercial business).

These organisations make their decisions based on information that is wrong and misleading. It is important to recognise that the providers of the information, whether they are internal or external are biased. They have self-interest and may be naive, relying on other information themselves.

It is irrelevant whether the bad information is provided deliberately or unknowingly. Either way the risks of cost blowout, extensive delays and compromised functionality are significantly increased.

Below are some of the common myths we see being perpetrated and the associated risks.

MYTH 1
YOUR USERS KNOW WHAT THEY NEED AND CAN EASILY TELL DEVELOPERS WHAT TO BUILD

Risks: Users are users, not designers. They are good at telling you what is wrong with the current systems and processes, but bad at telling you what actually currently happens and what is good about it. Letting your users work directly with developers will at best result in a system that is flawed and more likely a project that is scrapped after considerable time and expense.

MYTH 2
YOUR INTERNAL DEVELOPERS BELIEVE THEY CAN BUILD IT EASILY

Risks: Some member organisations have a software development capability beyond IT support. Where that capability exists, it is typically sufficient only to build add-on components to existing core systems, well short of the skills and resources necessary to build a total system. It's doubtful that internal developers will understand the full scope of what's required and they may be relying on platform vendor promises as to how easy things are.

As a rule of thumb, a realistic project estimate is to get the developers' estimate and at least double it. This is due to their inevitable underestimation, and the need to allow for all the other tasks they ignore, such as testing, data conversion and deployment.

MYTH 3
YOU JUST NEED TO AUTOMATE WHAT YOU CURRENTLY DO

Risks: This assumes that your organisation is currently doing everything efficiently and appropriately. Automating what you currently do reinforces your current processes, whether they be good/bad, efficient/inefficient or complete/incomplete. There is no opportunity to learn from other organisations with similar processes or from domain knowledge, for example requirements to meet privacy legislation and standards around retention of credit card details.

Like Myth # 1 above, attempting to automate your current processes will result in at best a flawed system, at worst a project that fails and is scrapped.

MYTH 4
IT'S EASIER TO BUILD YOUR OWN SYSTEM THAN TO CHANGE YOU ORGANISATION TO FIT OFF-THE-SHELF SOFTWARE

Risks: The rationale here is that the costs associated with the change management required to adapt to something new is more than the costs to build something that fits what you already do. Even if you are able to develop a system in time and within budget, all you've done is automate your current processes with the issues associated as per Myth # 3 above. If you take the time to review and improve your processes then you incur the change management costs anyway.

MYTH 5
YOUR NEEDS ARE UNIQUE AND THERE'S NOTHING OUT THERE THAT IS ANYWHERE NEAR CLOSE

Risks: Blind acceptance of this proposition forces you down the development path with all its risks and costs. Member organisations often see themselves as unique as they are the only organisation providing services in their particular area. Whilst it may be argued they are unique, it doesn't mean their system needs are. Provision for training, fund-raising, sales of products, events and conferences are common across many, if not most, member organisations. Some functions such as websites are common across organisations in a range sectors.

MYTH 6
YOU CAN ELIMINATE ALL THE DEVELOPMENT RISK BY OUTSOURCING TO AN EXTERNAL ORGANISATION

Risks: Introducing an external organisation changes the development risk, but does not remove it. Depending on which role or role(s) they are engaged in, external organisations can help mitigate the risks around scoping, designing, building and implementing a developed system.

However the motivation of an external organisation is to sell their professional services time. This means they will do what you ask, no less and more if they can be paid for it. Your risk now is the project management and direction of the external organisation. If not properly managed you can easily spend far more, achieving less, compared to an internal development effort.

MYTH 7
THE PROPOSED PLATFORM IS EASY TO ADAPT TO WHATEVER YOU NEED

Risks: Having data does not make a system. Being able to store data is very different to having a system that controls what data is required and/or valid, whilst making it available to all other users and systems as required. Consider an event registration transaction, where recording it after the event is very different to having the system guide what sessions and prices are relevant, depending on the member status, correctly calculating tax, and updating the event management modules.

A system based on recording data will be heavily reliant upon manual tasks to actually process the data and will also be subject to poor data quality.

When making systems decisions, member organisations should be aware of these myths and in doing so they will have already started to manage the associated risks. Further risk management is possible through assessing the bias of the information they are receiving. Lastly greater attention should be given to risks that are more likely to occur and would have a large impact if it were to occur.

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