

1-Feb-08 0:00 AM CST

## The Need for Executive Leadership in Big System Implementation

Nowhere is Business IT alignment more critical than in the implementation of an Enterprise IT system. Nowhere is senior leadership more critical for good BITA. Failure to get the senior executives into the game almost dooms the implementation from the beginning. System advocates who really believe the system will help the business do better business have the responsibility of getting senior execs on board and playing useful roles.

Implementation of an enterprise system is a top-down management exercise that follows from a decision that is made at the top. Firms that spend \$15 million to \$250 million on software alone - in addition to system integration, documentation, training and change management - will want the organization to use that system to make money for the company. In company environments that are accustomed to "taking or leaving" a new computer application, depending on the preferences of the user, introduction of an enterprise system is a shocking change. Only the most senior executives on both the line and staff sides of the organization have the authority and power to make the enterprise system decision and then enforce it. While many CEOs have tried to duck responsibility during system implementation, organizations with successful systems have stand-up CEOs who actively led the implementation.

Contrary to popular belief, the second most important executive to the implementation is the COO who represents the user community who will work with the implemented system to make money for the company. The COO is directly responsible for the users who must be fully prepared to use the new enterprise system once implemented. Full preparation includes a lot more than training on the new bells and whistles of the technology. Preparation includes the alteration of all work processes that touch the enterprise system to ensure alignment and the alteration of the performance systems of roles and responsibilities of workers who will use the new system. In those cases where only selected modules of an enterprise system are implemented, like financial or human resources modules, the top organizational executive responsible for the target functional area (i.e., the CFO or the CHRO) must take on those duties just discussed for the COO.

The third key executive role is played by the CIO, the usual owner of the information technology resource for the firm, who must ensure a successful technical implementation of the enterprise system. The CIO is many times called on to be the day-to-day leader of the executive team during the implementation. The savvy CIO leads by pointing out the time and place the CEO needs to throw her support for the system and working with the COO to ensure that user preparation is proceeding as needed to be ready for the technical "go live." Every top executive in the organization that is implementing an enterprise system will have a Red Zone role. That is, they should each have an important and visible piece of the Red Zone action in addition to their day job, their usual duties in the day-to-day running of the company.

Senior execs not on board? Consider delaying the IT implementation until you get them on board ... or pay the piper down the road.

Written by:

Dutch Holland