

*Bi-Monthly
Newsletter
for
Positive
Support
Review's
Clients
and
Subscribers*

Successful Groups are Results Driven - - Not Process Driven

The less bureaucracy the easier it is to implement change

In looking at ways to improve the odds of a successful implementation of a new system we have re-visited the traditional risk assessment process. Over the last ten years we have seen dozens of organizations both fail and succeed in implementing change.

There are a number of 'common sense' things that stand out as the rules of the road. Organizations that follow these rules normally are successful. Those that do not -- fail more times than not. The seven rules are:

1. **Have realistic and controllable measurement standards.** Federal Express used to measure the number of times a plane was late and have their management bonus tied to this fact. People can not control the weather. They can control maintenance. The measure was changed to include this fact and exclude weather. A key rule to
(continued on page 2)

CIOs Focus on Winning Technologies Early

New MIS applications are taking advantage of new advances

With the rapid advancement of new technologies a number of CIOs are starting to see that new approaches are included in the systems that are being developed. Most of these technologies are doing some of the old things better. Some are new ways to do things that will reduce the overall infrastructure cost. Based on our research we have ranked the 'go-go' technologies. There are:

❖ Image Processing

The cost of paper, people and office space are driving this technology in

(continued on page 2)



What does it take to be paid \$200,000 as a MIS Executive?

Many surveys talk about the fact the average CIO makes a little over \$100,000 a year. This is a very deceiving fact because there are at least two dozen MIS professionals we personally know that make over \$200,000 a year.

The profile of the individuals in the 200k group (Club) is not all that unique. They all are very good executives, know how to apply technology to business and were in the right place at the right time.

The members of the club are all CIOs in large and or rapidly growing organizations. All of the organizations are in the private sector and doing extremely well -- even in the recession. The company wide revenues are typically at least \$800MM and growing. Some of these smaller organizations did not even make \$100MM ten years ago, if they existed.

The CIO has total responsibility for all MIS and most if not all data communication functions within their firms. The total MIS budget ranges from \$15MM to \$33MM.

The organizations with the smaller budgets are the ones that are typically growing the most rapidly. In these organizations, there is significantly more new development work going on. In all of these organizations there is focus on new technologies.

The titles almost always are at least Vice

(continued on page 3)

Contents

*Successful
Groups
are Results
Driven - - Not
Process
Driven 1*

*CIOs Focus on
Winning
Technologies
Early 1*

*What does it
take to be paid
\$200,000
as a MIS
Executive? ... 1*

*Forecast Of The
Southern Califor-
nia MIS Job
Market 4*



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(continued from page 1)

many application areas. As the cost of hardware and software technologies continues to drop this is the one that is the most cost effective. The technology in banking is high speed image processing - look at the banks that are merging and you will see the successful ones are keying in on this. The technology in most service organization is low speed image processing - look at the high cost of labor and office space to be the driver in this one.

❖ Neural Networks

This is right out of Star Wars and all of the other great science fiction we have been reading about for years. Neural networks are computer systems that learn and change through time without the intervention of the most feared resource in the computer world -- the computer programmer.

❖ CD ROM

CD ROM can now store up to a 1/2 of a gigabyte on a single device. Sales manuals, reference materials, historical data can now all be stored on one ROM and be used in a remote location. The real jump will come when applications with static information will eliminate the need to communicate with a central computer to inquire into this data. Add image processing and or multimedia and you have some very interesting applications that can be created.

❖ Multimedia

The day of the digital computer application is dead! The future is with graphic application and movement. A number of organizations are already using this technology to reduce their training costs and provide easier access to their systems by non-users. This will be the electronic publishing of the future.

❖ Pen Technology

Most of the GUI people have missed the point that many people have a problem with hand and eye coordination. This is one of the reasons that pointing device based systems continue to have a problem in the mass market. As pen technology is more fully understood it will become the most user-friendly.

❖ Case

Case, case and more case. This is the one area there is almost universal agreement on as a technology who's time has come. This will do more to make MIS technology more universally accepted than any other advance. Few are not trying this. Once users can use all of the screen generators and code generators, the perceived barriers to MIS will evaporate. ❖

(continued from page 1)

remember is, "to measure is to modify behavior."


2. **Have management and staff understand what the value and the cost of a change is.** Denny's had a CFO who always asked two questions, "How will a change bring more customers into the store?" and "How many hamburgers do we have to sell to pay for the change?" During his tenure the company changed and grew to one of the largest restaurant chains in the country.
3. **Don't re-invent the wheel.** It great to say that you have a unique solution. What good is it if you have to pay two to three times the cost to develop something versus buying the same item on the street. Sometimes consultants do have value.
4. **Provide results quickly.** If Federal Express had waited until all of the customers were in place to generate a profit they would not be here today. A change followed by a quick benefit is the most valuable asset there is in managing change. If change equals positive results, then and only then will more change follow.
5. **If the change is wrong, stop.** As you are implementing something don't be afraid to say it is not working. A company that no longer exists spent \$180MM to buy the European operations of a competitor. As the losses mounted and customer service went down they continued to throw good money after bad. Don't get lost in the process. If the result is not there cut your losses.
6. **Implement change with small groups.** The PC revolution is an excellent example of this. One by one the good middle managers found out what worked, implemented it and then moved on to the next job. The risk is lower and if it works you have a great reference for the idea. An excellent executive at a large insurance company gave me one of the best lessons with his philosophy. Simply put, "Size pollutes."
7. **Re-think why you are doing something.** Yes it is good to change. Not all things are worth doing and there is cost associated with everything. At times it is better to eliminate. ❖

What does it take to be a \$200,000 MIS Professional?

(continued from page 1)

President and more often than not, Senior Vice President or CIO. They have been with their current organizations for at least five years. The club members report to someone who is normally on the Board of Directors of the corporation and are actively involved in management issues other than MIS. In a number of cases these individuals are involved in managing the absorption of new businesses as they are acquired.

Compensation is measured by cash salary, bonus, company car, perks (country club membership and car phone), company contribution to 401K plan, stock options, special insurance programs and differed compensation. From all of the items included, it is clear these individuals are definitively part of the executive management team.

The table below depicts the average, minimum and maximum of the executives in the club. 

	Minimum	Maximum	Average	% Getting Benefit
Base Salary	\$104,000	\$175,000	\$140,000	100%
Bonus	\$4,000	\$121,000	\$41,700	93%
Stock Options	\$56,000	\$101,000	\$78,000	20%
Car	\$3,000	\$18,000	\$8,100	78%
Car Phone	\$3,000	\$3,600	\$3,300	33%
401K Company Contribution	\$8,000	\$11,000	\$9,300	17%
Other	\$9,000	\$10,000	\$9,600	17%
Total Compensation			\$208,000	

PC HandiGuide™ & Asset Checker™



- ✕ Complete PC Policies and Procedures Manual
- ✕ 200 plus electronically composed pages
- ✕ Increase User and Help Desk efficiency
- ✕ Standard book or fully customizable
- ✕ Customized manual with your logo delivered in 2 weeks
- ✕ Automated hardware, software and demographic data capture
- ✕ On-line inquiry into asset base
- ✕ Summary and detail management and operational reports
- ✕ Interface to several fixed asset systems -- data export capability
- ✕ Audit tool to monitor software and hardware usage



Forecast Of The Southern California MIS Job Market

Demand for experienced MIS professionals takes a noticeable up-tick in January and February.

Christmas is not over. There still are a few presents under the tree for those in the job market. It is the first time this has been the case in the last several months.

At least a dozen organizations are looking to fill the second and third spots in their organizations. Senior management in these organizations see the need to get some things done even though the economy has not turned around as of yet. There is a tone that MIS is an area that can not continue to be cut and slashed. The time for investment is now while there is an opportunity to get in front of the recovery.

Falling interest rates, along with lower hardware and software prices, are providing some opportunities for organizations that have capital available to invest. The exodus of data centers from Southern California, along with the softness of the market, is creating some great investment opportunities for smart out-sourcing firms. In addition, given the economic climate the seeming financial advantage of out-sourcing may be disappearing.

In the last several weeks, a number



Published by:

M. Victor Janulaitis

of searches have been started for locations throughout the country and recruiters are looking in the Southern California market for candidates. The skills they need typically are in management of distributed organizations. It seems the only people looking for centralized and large organizations are the out-sourcing firms.

Aerospace is getting worse, if that is possible. With the cuts in the B-2 program, the toll on MIS professionals is high. It almost seems if it would have been better to be with Custer or the Light Brigade. At least there was an end to the misery. Manufacturing is so closely related to aerospace there is almost the same gloom in that sector. However, there is light and some real opportunity in the medical manufacturing sector.

Distribution, Service, Health Care and Insurance industries seem to be the areas of greatest improvement. The worst seems to be over in these industries. The recovery has started. Be glad if you are there and get there quickly if you are not. As the


economy continues to improve and the up coming tax cut is implemented, look for there to be an ever improving market in these sectors.

The one down side will be in the foreign distribution companies if the protectionists win the day in Congress.

As we get closer to the election, look

The good times may never be as good as they were, but at least the worst seems to be over....

for some "goodies" to be thrown California's way by the administration. At some point it will wise up to the fact that the next election will be won or lost on how the California economy is doing.

In general, there is a slow movement of feeling to an up-beat mode. The good times may never be as good as they were, but at least the worst seems to be over. 

Vic

Industry	Prospects Short Term	Prospects Long Term
Aerospace	Poor	Worse
Distribution	Good	Good
Entertainment	Good	Good
Financial Services	Poor	Poor
Health Care	Excellent	Excellent
Insurance	Excellent	Excellent
Manufacturing	Poor	Poor to Good
National Consulting	Poor	Good
Service	Good to Poor	Good