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Violence In The Work Place Is A Major Liability In Many Firms

In the rush to reduce costs many have eliminated security necessary to protect their most important asset -- People....

We have all read about postal workers and angry customers who have gone into the work place and have killed and wounded workers. According to a study underway by the FBI, this is not a statistical aberration that is only occurring in the postal service.

Rather the postal service, being one of the largest employers in the country, is getting its own statistical share of these events. It is just as common in all other organizations.

This phenomenon shows itself as disgruntled mates who vent their anger at their ex-mate's place of work; an employee that has been terminated, can not find a job and blames a prior supervisor; a customer who feels they have been seriously hurt or wronged by a company.

In the rush to reduce head count and improve the short term earnings of many enterprises, security of facilities has been eliminated. What most do not realize is that this is the next area of organizational liability that the contingent attorneys are going to look at.

The exposure is not limited to those injured, but is being expanded to include witnesses and other potential victims. What attorneys are looking for is all of the others who have been

True Costs of Client Server Are Hidden From Management's View

As Client Server applications are implemented the true cost is often underestimated....

Many organizations are just starting to realize that the true cost of Client Server applications is more than just the initial implementation

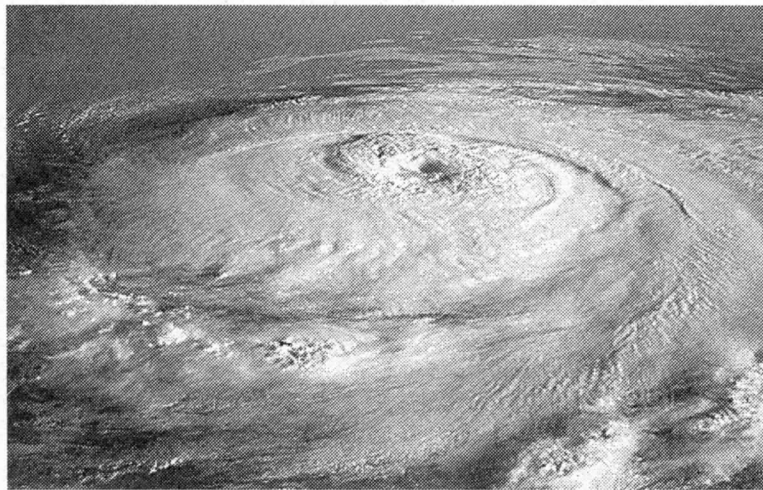
cost. Assuming a life of five years we have found that the acquisition and initial implementation costs are often only 10 to 20 % of the true system costs.

In addition there are often a number of very unpro-

ductive activities occurring that eliminate many of the savings that Client Server is supposed to achieve.

In a discussion with an attorney recently it was revealed that a number of his partners no longer had enough time to practice law because they were spending so much time with their computers. This included time spent implementing new software, making old software that is used only once or twice a year work when needed and other extraneous non-law related activities. That is not to say that some of these activities are not needed, rather the overhead of Client Server needs to be better understood before it gets to the point that technology is implemented for technology's sake instead of for some business reason.

Before you proceed, we have defined some facts that you need to understand. These are based on



From a distance a hurricane is like Client Server - soft and inviting

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Violence In The Work Place Is A Major Liability In Many Firms

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traumatized. An example would be an employee saying they can no longer work because they are afraid someone will walk through the front door with a gun. In such a case it is not uncommon for an employee to ask for a sum of money that is equal to the amount they could have earned the rest of their work life plus an undisclosed amount for "pain and suffering".

Although those involved have signed non-disclosures, we feel it is safe to assume that an employee's around the world trip was at least partially paid for by the organization that did not have adequate security to protect its employees.

As we all should know, it is not acceptable to terminate an employee because a family dispute has carried over into the work place. There is one case where a company's voice mail system was "filled up" by a family member who wanted to get even with an ex-spouse. In their mind the best way to do that was to get the individual fired. In a wrongful termination action, the terminated employee's defense was that the company's lack of security should not be paid for by the employee. There is some logic in that argument.

The security requirements for any enterprise that deals with cash or other tangible assets often focuses on the protection of those assets while ignoring people. That needs to be altered.

Data can be replaced, hardware can be replaced, but people have "pain and suffering"

Some of the key components of a good security program are based on "common sense". The primary rule to be followed is the "Need To Be There" Rule (NTBE). If anyone (customer, employee, or supplier) does not need to be there they should not be allowed there. If a relationship is altered -- employee terminated, customer denied credit or supplier no longer used - - the NTBE rule should be applied instantly. By just following this one rule over 85% of all violence in the work place could be eliminated.

Enforcement techniques vary but one of the best is a locked door that has security access controlled by mechanized means. Guards work but individual guards can often be out of the loop on whose relationships have been altered. In addition they are often the ones that provide the first target. Do you

	Category I		Category II		Category III		Category IV	
	Users	Processor	Users	Processor	Users	Processor	Users	Processor
Sub Department	Password Locked Room Locked Device	Password Locked Room Locked Device	Password Locked Device	Password Locked Room Locked Device	Password	Password Locked Device	Password or Nothing	Password or Nothing
Department	Password Locked Room Locked Device	Password Locked Room Locked Device Data Center	Password Locked Room Locked Device	Password Locked Room Locked Device	Password Locked Device	Password Locked Room Locked Device	Password	Password Locked Device
Multi-Department	Password Locked Room Locked Device	Password Locked Room Locked Device Data Center	Password Locked Room Locked Device	Password Locked Room Locked Device Data Center	Password Locked Room Locked Device	Password Locked Room Locked Device	Password Locked Device	Password Locked Room Locked Device
Multi-Department Multi Sites(i.e. cities)	Password Locked Room Locked Device	Password Locked Room Locked Device Data Center	Password Locked Room Locked Device	Password Locked Room Locked Device Data Center	Password Locked Room Locked Device	Password Locked Room Locked Device Data Center	Password Locked Room Locked Device	Password Locked Room Locked Device
Multi Department Multi Sites Multi Entities	Password Locked Room Locked Device	Password Locked Room Locked Device Data Center	Password Locked Room Locked Device	Password Locked Room Locked Device Data Center	Password Locked Room Locked Device	Password Locked Room Locked Device Data Center	Password Locked Room Locked Device	Password Locked Room Locked Device Data Center

With the number of locations many enterprises have, you can appreciate the magnitude of the problem they face. An added complexity is the new concept of work at home or "home computing". What exposure and what liability does your enterprise have because of home computing? Data can be replaced, hardware can be replaced, but people are another issue. Plus people do have "pain and suffering".

As a part of any management review, security needs to be considered. Security not only for the hardware, software and application assets of the enterprise, but also for the people who make it all work. At the very least if you provide a good program you will be providing a vehicle for protecting the enterprise's future.

really want to have anyone with a loaded gun in your lobby? Some of the worst harm has resulted from an under trained armed guard.

In summary, one of the first things that you can do is implement a security program. The second step is to see that it is followed. Last, and probably most important is to make sure that the program is the right one.

For those readers who would like to have a better idea of what should be contained in a security program, we have over 30 pages in the new Client Server HandiGuide® that address this issue. This is one area where downsizing has created an undue amount of risk and exposure to many organizations. You need to look at this before it is too late. ➡

True Costs of Client Server Are Hidden From Management's View

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our experience in dealing with organizations that have been working with this technology for the last several years.

- ✓ Client Server will cost more than you think
- ✓ Client Server will take longer to implement than you think
- ✓ Resources will not be available
- ✓ The life of the solution will be shorter than you planned (average is 24 to 36 months)
- ✓ Few want the CIO to succeed so they can maintain their own "power base"
- ✓ Senior management will change....

We have found that the average cost per workstation is between \$45,000 and \$60,000. In an audit of the true costs associated with a Client Server implementation for one application area we found that a budget of \$1,200,000 implementation cost for a 9 station Client Server application was woefully under estimated. The true costs were well over \$6,000,000.

Hardware	\$540,000
Software	360,000
Network and Admin	900,000
Other CS Staff	360,000
Business Unit CS Staff	840,000
Business Unit Staff	<u>3,000,000</u>
	\$6,000,000

Add to that the ongoing operations costs of at least \$5,000,000 annually and you wonder if, in this case, it might not have been better to leave the old smokestack legacy system in place.

The Research Board's recent study of similar Client Server implementations has found that ongoing costs for Client Server systems align almost exactly to this case. They assume a much longer life than we have seen. We have found that 36 months is the maximum and the Research Board uses five years as the life. Given their model the cost to our client will be almost \$30MM for a \$1.2MM Client Server project.



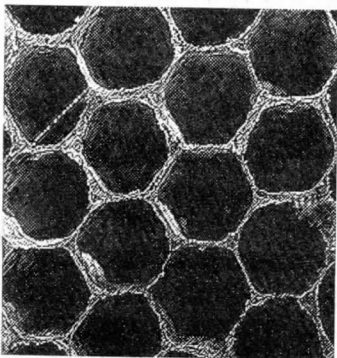
As we progress down the path of developing these types of systems we must ask what are we doing to future infrastructure costs and how are these systems going to be maintained? Add to this the fact that two types of information are constantly lost by organizations.

First, only a small percentage of a system's features or functions are passed from one person to another. As time goes on users only remember the portion of a system that they use on a day to day basis. All of the nuances that the developers added to any system are lost over time. Second the "institutional" old way of doing things is lost within twenty four months of a new system being implemented.

The implications of these factors is that enterprises are starting to get to the point where they will not know how to do things without their systems and they also will not know all of the features and functions of their new systems. Once they get there they will begin the process of designing yet more new and better systems that will have to interface with this set of replacement systems and legacy systems.

Infrastructure costs will grow. The cycle will then repeat itself. This is exactly what happened in the early 1970's. Based on where the process is when the the next century rolls around (in six years) the next wave of infrastructure re-definition will occur again. ◀

Client Server Management HandiGuide ®



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Forecast for the National Information Systems Market

The economy is on the move and it looks like the next few quarters could be the new "good old days"....

by M. Victor Janulaitis

The summer and early fall have been a real surprise to many. The economy has surged ahead and many organizations are looking forward the best last two quarters in a row since the early 80's. The advance of many companies has been spurred by improvements in productivity that have been generated by downsizing and holding down cost of Information Technology. This, added with the new cost equation generated by the continued plummeting of hardware costs and the implementation of Client Server technology are providing many with new and forgotten experiences: shortages of staff; more development than maintenance; management asking why there had been so much under investing; and increased compensation levels.

At one client site this fall I saw something that provided me with a definition of a legacy system. This multi-billion dollar international corporation still ran Autocoder programs on the corporate mainframe.

For those readers who do not know, Autocoder is the assembler language utilized in the IBM 1400 series of computers. Those machines were displaced by the IBM 360 in 1967. That means there are systems out there that are over 30 years old --- and still in operation.

Think of what that means to all of those systems that are being developed today.

The client told me that it was not cost effective or worth the risk to modify the application. As a side note, the interfaces from those systems are so pervasive and complex that the only thing they can do is hope the core business which requires them does not change. Keeping that in mind, think of what it means to all of the applications that are being developed today as "throw away systems".


As a sign of the times, IBM's mainframe sales actually look good in the near term. If they could only come up with a better idea of how to address the workstation and Client Server market they will again be a force to be dealt with. In any case, no other vendor has the equipment to support the large inventory of legacy systems in place. For most enterprises, it is not cost effective to replace these IBM based legacy systems with competing computer equipment. Rather as new applications are added and volume increases, everyone needs more capacity. Why put yourself at risk by changing something that is not broken. If you do, to which vendor could you look to unhook IBM?

All and all these next few quarters could be a great time for that next career move. Now that the safety net of a "secure job" is

not as important, many individuals are starting to look at alternatives. At the same time there are a number of "old line" companies whose technology products are at the end of their life cycles. As this happens, those firms will have to stop milking their existing customer base, or the next generation of products that are in the wings will take over their customer bases.

There are a number of companies to watch as they try to deal with these times.

- ⇒ **Powersoft** - what will happen as new tools that are application developer friendly versus user friendly start to get market share?
- ⇒ **SSA** - how will the upheavals in the organization and the massive and continuing reduction in (work) force bode to its customer base?
- ⇒ **Gupta** - will the venture capitalists take it over and put in place technology visionaries or green eye-shade accountants to run the company?
- ⇒ **IBM** - what will happen to all those who bet on OS/2 when IBM pulls the plug next spring?

In the next issue I will provide some insight into these questions. 

Vic



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Location	Prospects Short Term	Prospects Long Term
Northeast	Poor	Poor to Worse
Mid-Atlantic	Poor	Fair
Southeast	Fair	Fair to Poor
South	Good	Good to Fair
Midwest	Very Good	Very Good
Southwest	Good	Good to Very Good
West	Fair	Fair to Good
Pacific Northwest	Fair	Fair to Good
Best Location	Midwest	Southwest