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GUEST ESSAY

Breaking the Herd Mentality

“Insurance” for mega-transformation technology initiatives

There is an unpleasant truth that almost any CIO or senior insurance executive is loath to admit: At some point in the past he or she has been involved in a large and costly technology initiative that failed spectacularly.

It’s especially difficult when the initiative is at the root of the company’s operations, what we call a “mega-transformation” initiative.

Why does this happen? There are many reasons, but most fall result from the effects of a herd mentality.

Once a big initiative takes off there is no longer any room or tolerance for countervailing voices. The momentum is enormous and changing course is like trying to stop a runaway train. Mistakes often get swept under the rug of teamwork and collaboration, even if just for the sake of teamwork and collaboration.

There are ways to avoid being snared in this trap. But first, we need to understand why this occurs.

So, why does this happen over and over?

Most insurance carriers are not run like the Glengarry Glen Ross agency—the cutthroat real estate agency in the David Mamet play and movie.

Most insurers pride themselves on their family-like cultures and working environments. As a result, many carriers have long-tenured technology and subject matter experts without the requisite skills to think and act critically and creatively. They’re good at their jobs, but may not raise their hands and challenge the prevailing wisdom or myths.

Technology vendors contribute to this as well.

The last thing a chosen vendor wants is for the carrier to reconsider the vendor’s approach or selection. Vendors who do not hold their carrier customer’s best interest at heart will go to great pains to prevent this from occurring. One sign this might be happening is when your vendor presents you with a customer or partner of the year award – it’s a sure bet that’s a tactic employed to deflect your attention from the true nature of the initiative!

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Likewise, transformation team members from the business side of the company often lack the technological know-how or business process context to serve effectively as critical voices in the wilderness. More often than not, they don't know what questions to ask.

Don't despair; be emboldened. There is a way out of this "Groundhog Day" of the same unsatisfactory results happening again and again.

The most important preventative medicine for this ailment is to have an independent and objective countervailing voice in your ear. While it might be preferable to have such a voice on staff, most CIOs and senior business executives do not have that luxury. The next best thing is to find an independent and objective third party who can fill that role.

Ideally, that third party should be a high-level person or team with broad business and technology experience. Such a resource should also have the necessary executive mettle to deliver either good or bad news objectively and rationally, and turn recommendations or criticisms into actionable initiatives and tasks. Finally, they should have real-life experience at bringing business and technology plans and architecture together in a way that creates value for an organization. Be sure to ask for proof of such experience.

Organizationally, this resource should report directly to the CIO and/or the partnering business executive and the corresponding executive steering committee providing oversight on the initiative. This resource should also be given a free hand to attend any meeting and ask *any* question. This has the net effect of keeping people honest and on their toes.

Of course, the countervailing resource has to be required to justify its existence as well. There should be a regular, easily digestible set of reports delivered to the CIO and/or the steering committee that provides visibility and transparency into the initiative.

These reports should include point-in-time audits of the architectural approach, adjustments, and effectiveness; performance of the vendor against its commitments; and a vigilant eye on the relevant metrics and measurements for the initiative.

It's also important to ensure that your countervailing voice has no allegiances to or partnerships with any of the vendors involved. The role of this resource should be formally introduced along with expectations for cooperation and collaboration. It should be made clear that there

is a direct line of sight from the countervailing resource to the executive level, and that their mission is not to spy, but rather to ensure success for all involved.

There is a popular paradigm that executive consultants tend to be more anchors than sails, but that has everything to do with *who* the resource is and *what* they know. As a former CIO who has managed mega transformational initiatives for better and worse, I can attest to the value of having informed and independent counsel on the health and well-being of your most strategic efforts.

The real value of this is that it can prevent an executive leader and an organization from making a mistake or error in judgment or direction that they might not otherwise be aware they are making, simply because of their proximity to the team and the critical nature of the initiative.

The simple fact that everybody involved in the initiative fervently wants it to succeed and to deliver the value to the organization required, does not in and of itself mean it *will* succeed.

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More often than not it is not a single error or misstep that causes the kinds of issues that so many companies experience with large and complex initiatives, but rather it is a series of smaller and more mundane decisions that by themselves do not seem to be a problem, but taken together lead to much bigger problems. Those are *precisely* the kinds of patterns that are most difficult to recognize from the inside of an organization and an initiative, and precisely why a countervailing voice and view can be so valuable to the savvy CIO and business executive. It's a little "insurance" that can go a long way.

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