



A Quantifiable Quandary
or
Quixotic Quest?

You Can't Manage
What You Can't Measure

About Cervantes

“Casting my mind’s eye over the whole of fiction, the only absolutely original creation that I can think of is Don Quixote.”

W. Somerset Maugham
10 Novels and Their Authors

Don Quixote's TQM Qualifications

- Typical CIO description
“The Knight of the Doleful Countenance.”
- Corporation Expectations
“They can expect nothing but their labor for their pains.”
- Advice to the Corporation
“Let every man mind his own business.”

Reasons for Management Benchmarking

“Forewarned forearmed”

Three interrelated elements

- The Economy
- Outsourcing Options
- Quality emphasis



All contribute to the popularity of Metric Analysis

*“Tell me what company thou keepest, and I’ll
tell thee what thou art.”*

Benchmarking is...

the continuous process of measuring a current business process and comparing it to those companies with best-in-class performance in that specific process.

The knowledge gained from a benchmarking study provides a foundation for building an operational plan to meet and surpass industry best practices.

Benchmarking for your Organization

Helps you ...

- Understand your customers' needs
- Assess your competition
- Refocus your business strategies and goals

Potential Results...

- Reduction in costs
- Increase in productivity
- Advancement of your corporate reputation for world class performance

***“We cannot all be friars,
and many are the ways by which God leads his own to eternal life.”***

Benchmarking - Critical Success Factors

- Evaluation Methodology
 - Data normalization
 - Performance benchmarking
 - Business requirements
- Peer Group Comparisons
 - Industry and size
 - Best standard of excellence
 - Commercial alternatives

“By a small sample we may judge of the whole piece.”

Cost / Performance Theories

- “Time out of mind”

“There are only two families in this world, my old grandmother used to say, the Haves and the Have-nots.”

Both theories have merit!!

Common Pitfalls - Data

- Up-to-date information a necessity
“I hate to keep things long in case they go mouldy from overkeeping.”
- Database improvement is constant
“Never look for birds of this year in the nests of the last.”

Common Pitfalls - Others

- Extreme metric results

“Can we ever have too much of a good thing?”

- Economy of Scale issues

“You are a king by your own fireside, as much as any monarch in his throne.”

- Timing questions

“Every man was not born with a silver spoon in his mouth.”

Best Practices - Customer Orientation

- Client Perception

“There’s not the least thing can be said or done, but people will talk and find fault.”

- Client Surveys

“The proof of the pudding is in the eating.”

- An old axiom

“Honesty’s the best policy.”

The Outsourcing Option

- The Threat

“Fear is sharp-sighted, and can see things underground, and much more in the skies.”

The Reality

“’Tis the part of the wise man to keep himself today for tomorrow, and not venture all his eggs in one basket.”

A Recommendation from a Modern Day Don Quixote

“Before you go external, you’ve got to clean up your house . . . The most important thing is to know what you are today and how you are constituted.”

“The smart executive will realize his or her strengths - what they do well and what are their weaknesses. I think they’ll keep their strengths in house and outsource to cover their weaknesses. Outsourcing will be treated as a positive weapon, not as a threat to the IT organization.”

Mario Morino
Datamation

“Patience, and shuffle the cards”

- “Journey over all the universe in a map, without the expense and fatigue of traveling, without suffering the inconvenience of heat, cold, hunger and thirst.”

Benefits of Benchmarking

- Customer Satisfaction
- Process Improvement
- Competitive Advantage
- Profitability
- Culture Change

Don Quixote's Concluding Remarks

“Diligence is the mother of good fortune.”

“Fortune leaves always some door open to come at a remedy.”

“Remember the old saying ‘Faint heart ne’er won fair lady’.”

“Tomorrow will be a new day.”

“Thou hast seen nothing yet.”

Best Practices - Cost Recovery

“The ass will carry his load, but not double load; ride not a free horse to death.”

Know your value

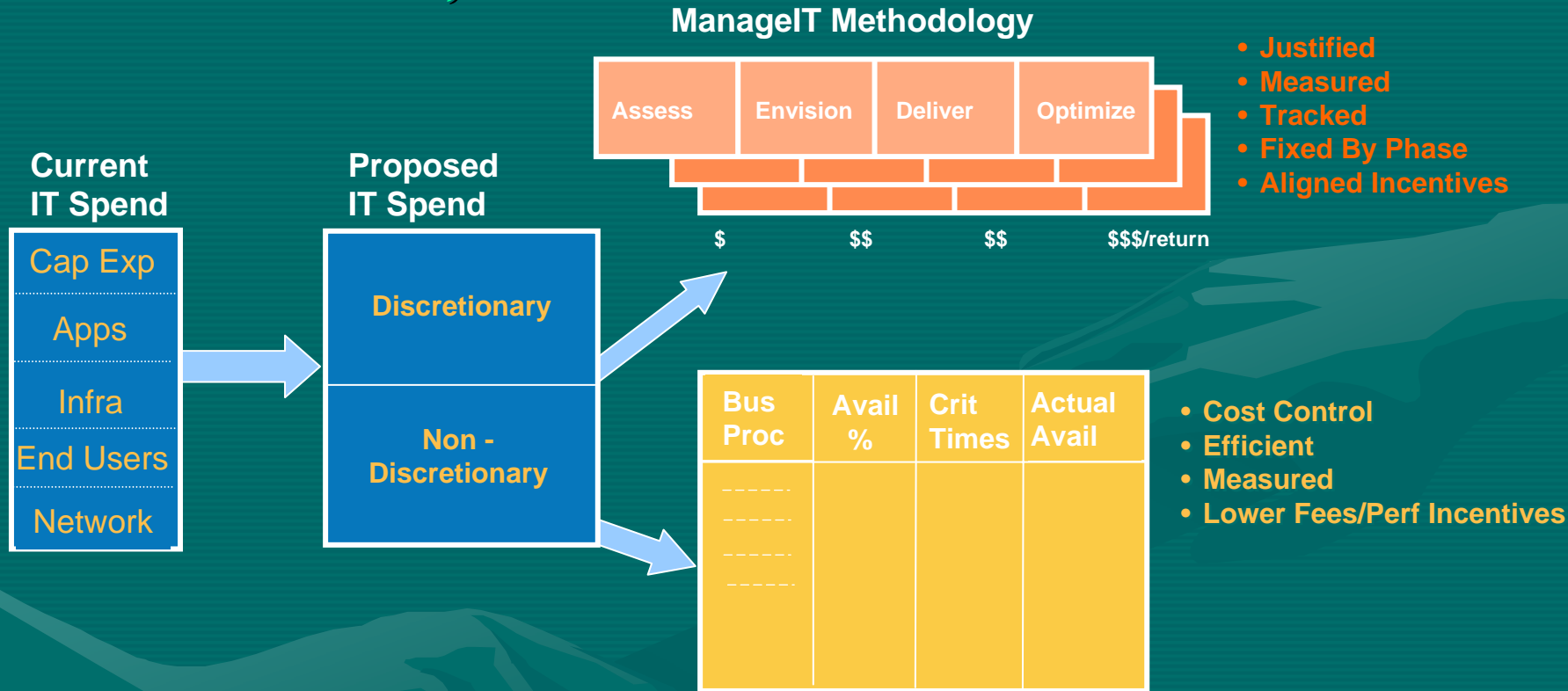
- Increased emphasis
- Market-based pricing
- Venture capital funds



“The charging of his enemy was but the work of a moment.”

And Now a Word from our Sponsor

- Decision Interface, Inc.



Client Value:

- Low risk innovation
- Cost control and reduction
- Cost visibility
- Business-justified transformation

Leverage

- People
- Capital

Improve Processes

- Business
- Technical
- Financial

Questions?

