

RISKS OF A NEW CIS – REALITY OR MYTH?

by Albert J. Solecki

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The utility industry – electric, gas, and water – has a long and colorful history. It is a history characterized by companies that are capital intensive, technology innovators focused on providing reliable, cost-effective service to customers,

While much has been written today regarding a “return to basics” and the importance of reliable, cost-effective service to customers, it seems that the utility as a technology innovator has been overlooked.

This is especially true when it comes to Customer Information Systems (CIS). The trade press is replete with articles that help to create an environment of risk and fear around new CIS in general, and specifically around a new CIS based on relatively new technology.

You can pick up any trade magazine or go to any CIS conference and be sure to read at least one article or hear one presentation on the dangers and pitfalls of selecting, buying, and/or implementing a new CIS. Industry analysts and consultants have contributed to an environment of fear by recounting past war stories of budget over-runs, schedule delays and implementation failures. There seems to be a great deal of comfort recounting the past but a general reluctance to taking a hard objective look at the newer technologies and approaches to CIS that are available today.

How real is this environment of fear and risk that appears to permeate the CIS world? Is it myth, or is it reality? Let’s take a brief look at the history of CIS failures as a teacher rather than as a forecaster of the future.

Did the software fail? The answer for the most part is “NO”. It may not have functioned exactly as anticipated, but it did not fail. It performed the basic functions required to support customer information and billing.

Did the technology fail? Again, the answer is “NO”. The technology supported the software as it was designed to do.

Did the vendor fail? Again, the answer is “NO”. The vendors supported the product, and they are for the most part still in business today.

If we look at failed CIS implementations, the list will include most, if not all of the major CIS vendors in the marketplace today.

So why did some of these CIS projects fail to meet expectations. I maintain that the root cause of every project failure was ineffective project management – not the software, not the technology. So whether the software and/or the technology are new or old, the risk is the same – the ability to effectively manage the CIS implementation. And, let us not



forget, if our history is replete with war stories of CIS failures, they include the major vendors in the CIS marketplace, not the newer companies with the newer technologies.

As utilities, whose history is steeped with successfully managing large, complex, technology based capital projects; the risk associated with managing a new CIS is certainly a risk that any utility should be comfortable with. And, the benefit of a lower total cost of ownership offered by new technology based CIS is a benefit that can no longer be ignored. Nor, can utilities continue to discount “new” systems simply because they are new. The fact is, “new” doesn’t mean more risky. And, if any industry should understand this, it is the utility industry with its long history of innovative use of technology for the benefit of its customers.

In the final analysis, selecting and implementing a new CIS is no more or less risky than any other capital intensive project. Despite analyst comments to the contrary, the risk is not with new technology or new software, it is with our ability to manage technology based projects. That risk is there whether the technology is new or old. The difference is that CIS systems based on new technology, when viewed from the standpoint of the total cost of ownership, may be the best alternative for utilities and their customers.

About the Author

Albert J. Solecki is Vice President, Business Development for Conversant, Inc. Conversant develops and markets Customer Watch, award winning CIS Software for the utility industry.

Prior to joining Conversant, Mr. Solecki was an Executive Consultant providing consulting services, both nationally and internationally, to the utility industry as part of IBM’s Utility and Energy Services Consulting practice.

In a career that spanned 35 years, Mr. Solecki held a number of executive and management positions with PECO Energy, including Vice President, Information Systems and General Services and Controller of the company.

Mr. Solecki received his MBA from Drexel University and a B.S. in Accounting from La Salle University. He is also a graduate of the Edison Electric Institute’s Executive Leadership Program and the Penn State University Executive Management Program.