THE IT SYSTEM THAT COULDN’T DELIVER

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LENOX INSURANCE

- CEO and President – James Bennett
- CFO – Clay Fontana
- CIO – Diana Sullivan

Organizational Structure –
- Newly hired CIO, Diana, reports to CFO Fontana, all of whom report (directly or indirectly) to CEO Bennett
- Heavy reliance upon independent agents to sell Lenox policies
- Need to provide these agents with tools to sell in Lenox’s favor, rather than competitor offerings
“Big Picture” Scenario

- Lenox was struggling to adjust to the turn to technology in allowing their agents to do their job.
- Sullivan was brought in to create a system which would allow the agents to view information on their policies through computers.
- Sullivan devised a three year plan to create a program which would meet these requirements, while successfully creating the program on time, on budget and to the CEO's specifications.
The Issue

After the program was up and running, they were struggling to fully utilize the program:

- Only 40% of the policies were on the system
- The system was criticized for not being user-friendly
- Many of the employees were struggling to adapt to using the system
- Competitors were already operating on a better system and were creating stronger competition for Lenox
THE ISSUE - MISMANAGED

- Once the problem was realized, the company struggled to handle it properly
  - Leadership chose to try to imitate their competitors instead of trying to improve on their systems
    - Lead to too many policies being offered and mass confusion
  - Separate business units were not held accountable in giving Sullivan the necessary information to put onto the system
  - Leadership had failed to sign their employees up for training fast enough to be efficient with the system
    - Failed to address the issue of a less “tech-savvy” workforce

- Ultimately, leadership was too focused on appointing the problem to one particular person rather than devising a team-based solution
EVALUATING THE CIO

- Despite a dose of negligence across all ‘C’ level Officers, this case is ultimately the story of Sullivan’s failure as CIO
  - “I built the system to specification, on time, and on budget – I did my job”
    - A futile excuse showing the CIO had failed to realize the magnitude of her role
- Sullivan should have recognized the red flags before beginning a project doomed for failure
  - Overestimated her ability to impact the workforce
  - Needed to align the IT vision with corporate strategy
  - Overcomplicated the system which created more challenges for its implantation than necessary
Choices Facing the CIO

- Take responsibility in uniting the sales force under the Lifexpress system
  - Directly influence the agents to operate within the system more efficiently

- Realign leadership to create a documented understanding of IT’s value-add function within the corporate strategy
  - Without a defined product strategy, successful integration of an IT vision is unlikely (at best)

- Admit to a lack of accountability delegation and plead her case to the CFO and CEO
RECOMMENDED COMMUNICATION

- Insert screenshot of sample email from CIO to CFO/CEO requesting meeting to realign business strategy prior to CIO plea for having her “ducks in a row”
MOVING FORWARD...

- Improve Communication Practices
  - Regularly scheduled leadership meetings to facilitate open and candid discussion of corporate strategy

- Reevaluate Organization Structure
  - CIO reporting to CFO may prohibit professionally effective relationships
  - Document accountability standards

- Revise (or recreate) Product Strategy
  - Introduce a strategic IT system to coincide with a well defined product strategy

- Define a vision for value-add IT strategies
  - Technology must be more than a supporting function. Rather, utilize IT as a competitive advantage
  - Vision must be shared across all instances of corporate leadership