

Genericorp Assignment

Bill Perry, vice-president of information systems at Genericorp, had advocated the development of an executive information system (EIS) to support the information needs of the firm's senior executives. From trade writings, conferences and conversations with other information systems managers, Perry had heard of EIS successes at many firms. Perry believed that besides helping top management, an EIS would also improve the image of the IS department. For too many years, company executives had approved multimillion-dollar budgets without delivering system benefits that were observable to senior management. An EIS would change that situation, however.

Perry arranged for one of the EIS vendors to present a demonstration to the chief executive officer and other senior executives. The demonstration was very well received. With the click of a mouse, charts and reports quickly appeared in a rich variety of formats and colors. The executives were impressed and, after a brief meeting, authorized the development of an EIS. The project was allotted a budget of \$250,000.

The next step was to put together a team of people to develop the EIS. Sam Johnson, who had worked at Genericorp for 20 years in a variety of areas, was recruited to head the project. Johnson was a good choice because of his knowledge of the business, executives and politics of the organization. Perry also assigned two of his best systems analysts to the project.

After reviewing the software and hardware alternatives, the EIS team chose what they thought would be a good approach. A major EIS vendor's software would be used. It provided a solution that was consistent with Genericorp's overall IT strategy. Most of the required hardware and communication capabilities were already in place.

Getting the initial set of executive users to specify their information requirements proved to be a problem. The EIS staff found it difficult to arrange time with the executives because of the latter's travel and job requirements. Even when they did meet, the executives were often vague and uncertain about their information needs. Consequently, the executives' staff and secretaries became important sources for determining what should go into the EIS.

Three months later, the initial version of the system was rolled out to five users. The 50 screens provided key financial reports that were previously available only in paper form. The systems also provided information on key performance indicators that had been identified in Genericorp's strategic planning processes. The screens were efficiently updated by automatically downloading of data from existing databases.

The executives' initial reaction to the system was generally positive. One executive said, "I've never been able to get my hands on this information this quickly before." Several of the executives seemed proud to finally be able to use a computer. Only one older executive seemed to have little interest in the EIS.

Having delivered the system, the focus turned to maintenance. Johnson was assigned to another project. The systems analysts were given responsibilities for developing a new, important transaction processing application. Two maintenance programmers were assigned the task of handling the evolution and spread of the system to more users, with additional screens and new capabilities.

Little happened with the system during the next few months. It took the maintenance programmers a while to learn how to use the EIS software. Even after they knew how to develop the screens, the programmers discovered that this activity always seemed less critical than working on other applications. Besides that, the executives seldom requested additional screens. To some extent, the maintenance programmers viewed the EIS as an "executive toy."

Nine months after the introduction of the EIS, little evolution had occurred. There were no new users, and usage-tracking software revealed that three of the five executives were not using the system at all. Few new screens had been added, and there were no new system capabilities.

At about this time, Genericorp began to encounter financial troubles. To maintain a healthy bottom line, any nonessential expenditures were eliminated. At a key meeting, the executive who had never taken to using the EIS proposed that it be terminated. "We've put a lot of time and money into this system, and I don't see that we have gotten much out of it," he said. "If we are honest with ourselves, all we are getting is the same information that we used to get before—except now it is on a screen with fancy graphs and colors. We can save money by trashing the system and not lose much." After discussion, the executives agreed that the system had turned out to be a disappointment that should be scuttled.

When Perry learned of the decision, he was crushed. The EIS had seemed so promising, and things seemed to have been going so well. What had gone wrong? He'd gotten executive support, assembled a good staff, selected appropriate hardware and software and quickly delivered an initial version of the system. These were frequently mentioned keys to success. Maybe the executives just weren't ready to use computers. One thing Perry did know, however, was the EIS experience smeared his reputation, as well as that of his department.

While the scenario and company are fictional, the situation is very much like the EIS experiences of many firms. An EIS is developed with high expectations, but it often ends in failure.

Question

1. Discuss what went wrong at Genericorp in developing the EIS? What mistakes were made?