

What is in this month's issue?

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In light of recent events, Crisis Management has become more important

By Donald Craigie

DON'T PANIC

The Hitchhiker's Guide to the Galaxy had "Don't Panic" printed in large letters on the front cover. Worryingly, in the normal course of events, many management groups are just as ill prepared or more likely, totally unprepared, to deal effectively with most crisis situations.

Recent events may focus our minds on threats such as fire, bombs, natural disasters, kidnapping or wilful acts of destruction. However prominent these may be, the reality is that on average in 2004, slightly more than half of all crises that struck large corporations, small and medium size businesses, or not-for-profit organisations, were caused by management. This is compared to 28-percent of all crises caused by employees and 19-percent triggered by outside forces¹.

Indeed you are far more likely to experience a smouldering crisis than a sudden crisis. On average, 71-percent of all crises start out small and may take days, weeks or even months before they get out of control and draw public attention, while 29 percent of all crises are the sudden, unexpected type.

Creating A Crisis Response Capability

The alternative to complacency is to be prepared and to have procedures in place to allow immediate and positive action to be taken. This is the discipline of Crisis Management and the development of a Crisis Response Capability. The clear benefits for the organisation are to: 1) reduce the personal liability of managers and directors of the company, 2) minimise financial losses, 3) safeguard company assets and 4) minimise negative reaction. Crisis management systems borrow much from traditional project risk management approaches and view the risks as events that impact the wider financial and operational stability of the organisation – especially those possibilities for negative comments in the press.

Most approaches split the planning into three phases. Firstly, the Emergency Response: dealing with the chaotic and stressful first 24 - 72 hours; secondly managing the Crisis as it unfolds and stabilises over the next week or so; and finally moving into the longer term Business Recovery phase.



Training Schedule for October/November 2005

Process Professional Training

Introduction to CMM®
10th - 11th November, London

PPA Assessor for CMM®
14th - 16th November, London

Skills Training

Project Management Improvement
24th - 25th October, Edinburgh

Technical Requirements Management
27th - 28th October, Edinburgh

Peer Review
4th November, Edinburgh

Software Quality Assurance
21st - 22nd November, Edinburgh

Project Planning and Control
24th - 25th November, Edinburgh

Achieving Business Excellence Seminar
28th November, London

Establishing a Process Improvement Programme
29th November, London

Establishing your Business Processes
30th November - 1st December, London

Additionally the core of these plans involves:

- Establishing a Crisis Management Team and having pre-defined and trained contingency and recovery teams to act decisively at the outset of a disaster.
- Implementing a defined communications strategy to manage the concerns of employees, their families and the media.
- Deploying technology-based recovery plans to restore critical information and communications systems.

Preventing crises is the first choice. Being prepared to manage those you can't avoid, is equally important. But it's not enough to have a great plan. A plan is only as good as the people that will use it, and they are only as good as the practice they get with that plan before they need it.

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A letter from the Chairman

By Rob Clark

Paul came to me in July and asked me to write a 400 word piece for the newsletter – deadline mid-August.” Keen to help and with a deadline 6 weeks off, I acquiesced. Well, yesterday I realised that it is now the middle of August (where did July go?) and not one word has been written.

Today, driving in over the famous Forth Bridge on a lovely summer morning, I started to mull over a few well-hackneyed phrases for the piece in my mind. I’ll give ‘em some of the old accountants’ gobbledegook that always goes down well. People have to be impressed by the three straight years of outstanding revenue and profit growth we’ve enjoyed! I know, I’ll quote the numbers – as soon as I get to the office I’ll get Fiona to dig out the last three yea..... I am now sitting in a traffic jam with time to reflect on my excitement at this last thought. What’s the matter with me? I’m getting excited about accounts. Could it be age? The traffic is now moving again and some guy on a phone-in radio show has just explained the economic benefit should our esteemed Chancellor reduce duty on petrol such that we pay seventy pence a litre at the pumps – yeah! Like that’s gonna happen.

Then, eureka! A light goes on in my head. I could neatly outline our recent and, indeed, ongoing expansion. I could introduce our new consultants Gren Bingham, Doug Ashworth, Steve Christian and Irwin Fletcher (a former Compita stalwart who has simply “come home”); all first rate guys who have settled in well. I could also say that we continue to look for good, experienced people for our growing team of specialist consultants. I could even mention the expansion of our Livingston HQ where at the beginning of August we doubled our office space being careful, of course, to make sure that people realise that our address and phone numbers remain unchanged. In my head the piece is shaping up. Traffic’s light now On the radio someone just said that petrol (or should that be “gas”) prices have doubled in the state of Florida in the last year to \$1.90 per gallon – calculating rapidly, as I leave the motorway, I make that about 28 pence per litre – must remember to commiserate with Paul in the office on this terrible blight on his countrymen’s pockets!

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Capability Maturity Model, CMM and CMMI are registered in the U.S. Patent and Trademark Office by Carnegie Mellon University.
1 ICM Database Report for 2004

The Importance of Crisis Management (Continued)

Compita have developed a one-day foundation course and a two-day practitioner’s course on Crisis Management. These courses are designed to help organizations:

- Survive as a result of effective disaster planning
- Identify key risks to business and how they could impact the strategic objectives
- Create an effective disaster recovery team
- Develop action-oriented disaster recovery plans
- Effectively manage people and events in crisis situations
- Learn how to develop and maintain auditable history

For more information on how Compita can help your organization to plan effectively for a crisis email Paul Terrell at paul@compita.com.

Technical Q & A for Requirements Management

Q. Our group develops and maintains software applications for a number of internal customers. Their requirements are often late and always incomplete. How can we ensure (or at least encourage) the business to document and commit to a complete set of requirements in a timely manner?

A. One way to tackle this is to create a partnership with the client so that you can agree on the final set of requirements. The first step in the partnership is to agree on the “must have” or priority items. This may account for the first 80% of the requirements. By agreeing to the 80% this allows the development work to continue. With the remaining 20% or “like to have’s” try to come to an agreement on 80%. This means you will now have 96% of the requirements agreed to. Then continue on with the 80/20 rule until all the requirements have been agreed upon. During the negotiating period a series of “gateways” or checkpoints should be installed to assess the risk and level of understanding. If these are compatible then the project can move forward. Otherwise, the level of risk should be accepted or the requirements further clarified to reduce risk.

In relation to Requirements Management, Compita hosts courses that will teach you how to improve your requirements capture, better understand the system requirements definition and help identify and resolve problems earlier which help lower costs and to meet time scales. Contact Paul Terrell for additional information.