CHALLENGE

Are you ready to control the technology that can catapult your business to the next level?

Businesses in every sector ask this question daily, but how can you really know? We submit the following relationship between 3 key business metrics as a means of keeping score and predicting the costs of implementing technology.

The metrics are easy – 1) state of computer integration in the business; 2) Computer acumen of key personnel; 3) Management resolve. By quantifying these metrics individually we can assess how "prepared" we are for technology. When we merge all three into a single score, we can peg the cost of implementation to the low, medium, and high range usually associated with such projects. Even more importantly, we can reveal when to say "NO".

Based on our 30 years of experience (over 15 years in the food service equipment space), we call this combined metric the **"Enterprise Technology IQ"** of your company.

PROCESS

Step 1: Measure the state of computer integration. We understand that saying a server is "old" when it's been in service 3 years or more is hard to fathom when compared with a 20-year-old Hobart mixer that needs little more than some WD-40 to squeeze another 10 years out of. However, gauging your Hardware, Server Software, Internet bandwidth and ERP software is a critically important first step in determining Enterprise Technology IQ.

    A)   Servers – assign a number between 1 and 5 corresponding to the average age of your servers
        1 = No Server
        2 = Servers 3+ years old
        3 = Servers 3 years old
        4 = Servers 2 years old
        5 = Servers 1 year old or less
           SCORE ____

    B)   Computers – assign a number between 1 and 5 corresponding to the average age of your computers
        1 = Computers 3+ years old
        2 = Computers 3 years old
        3 = Computers 2 years old
        4 = Computers 1 year old
        5 = Computers less than 1 year old
           SCORE ____

    C)   Accessibility – what speed is your internet served at (and can you access remotely)?
        1 = Internet speed 1 MB or less
        2 = Internet speed 1MB - 3 MB
        3 = Internet speed +3MB - <5MB
        4 = Internet speed +5MB - <10MB
        5 = Internet speed >10MB
           SCORE ____

    D)   Architecture – what Server architecture do you have?
        1 = No Server
        2 = Workgroup
        3 = Server software 3 years old
        4 = Server software 2 years old
        5 = Server software 1 year old or less
           SCORE ____

E) ERP Software
      1 = Software with no updates in 5+ years (or Quickbooks, Peachtree, etc.)
      2 = Updated software (but not Windows or Web-based)
      3 = Windows Generic software, less than 5 years old
      4 = Windows Distribution software
      5 = Industry Specific software
         SCORE ____

Add scores from sections A-E above and divide by 5

TECHNOLOGY LEVERAGE SCORE ____

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Step 2: Level of technical savvy of the employees and their ability to learn new programs. The best technology stack available is almost completely ineffective when the users are reluctant or incapable of embracing new technology. This involves creating an employee staff resource rating that measures computer savvy and industry knowledge. Instead of trying to grade every individual in the company, let's concentrate on just the core management team who will make things happen. To be clear, we are not suggesting throwing the fossil out with the limestone. It's more like chipping away at the limestone to reveal the inner fossil.   The average age of your management team is a key indicator of tech-savvy, but not the only one.

A) Average age of the core team (add up ages and divide by number of people)
      1 = Over 70
      2 = Over 60
      3 = Over 50
      4 = Over 40
      5 = Less than 40
         SCORE ____

B) General Computer Savvy of the core team (rank each member, add scores and divide by count)
      1 = Very basic email user (ex. would use an iPad for a cutting board)
      2 = Very basic Excel/Word user
      3 = Advanced Excel and other computer tools
      4 = "Has an App for that"
      5 = Writes code in spare time after overclocking processor
         SCORE ____

Add score from section A + (3 X score from section B) and divide by 4

EMPLOYEE STAFF RESOURCE SCORE ____

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Step 3: Resolve of upper management to make the change is vital to achieving the desired results. Lack of resolve creates mini-coups stemming from folks refusing to change with the times. So, management buy-in is critical to the success of any technology integration. From the following implementation statements, please select the response that most closely represents the attitude of your upper management.

A) "The core team will need 20% of their time devoted to implementation (more for the team leader)."
      1 = We just can't afford that.
      2 = (Gulp), I guess that's okay, if we have to.
      3 = Sounds reasonable.
      4 = If we allow 40% of their time can we speed up the process?

5 = This HAS to be done right, so whatever it takes.

SCORE ___

B) "The training company is going to take 3 to 9 months to create with your data."

1 = We just can't afford that.

2 = (Gulp), I guess that's okay if we have to.

3 = Sounds reasonable.

4 = What can we do to remove obstacles and facilitate the process?

5 = This HAS to be done right, so whatever it takes.

SCORE ___

C) "What happens if 8 months in we still don't have a training company set-up?"

1 = We just can't afford that.

2 = I knew this was too hard!

3 = Is it OUR fault or THEIR fault?

4 = What are we missing and how do we get it?

5 = This HAS to be done right, so whatever it takes.

SCORE ___

Add scores from sections A-C above and divide by 3

MANAGEMENT RESOLVE SCORE ___

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EVAUATION

It is helpful to evaluate each individual section before looking at the total score.

1) Since the Technology Leverage component can be solved quickly with capital investment, it can be the easiest place to raise your overall Enterprise Technology IQ score. It should be noted that Technology Leverage score must be *3 or higher* to consider proceeding with implementation of new technology as a whole. If it is less than 3, you should make it a priority to commence upgrades until it achieves 3 or higher.

2) The stark reality is that people are either computer savvy or they're not. As a general rule, younger people have a much easier time learning computer programs. Older people (let's call them the "industry veterans") will have a more comprehensive understanding of the key metrics and how to accurately assess progress towards achieving optimal results. An Employee Staff Resource score of *3 or higher* is essential here as well.

3) Thoughtful implementation and the desired company-wide adoption of new technology begin and end with management buy-in. Management Resolve score should ideally be in the range of *4 or 5.*

Overall Evaluation:

Add the Technology Leverage score + 3 X Employee Staff Resource score + 5 X Management Resolve score. Scores between 26 and 45 are acceptable. Unless there is an abundance of available capital to invest in technology purchases right away, the easiest way to bring up the total score is to increase Management Resolve. Second is to work on overall Employee Tech Savvy, and third is to make the Technology commitment to add computers, servers, and software.

BENEFITS

So, where are the benefits in this intriguing equation?

Leveraging technology in today's world is an absolute requirement. Positioning your company to take full advantage of new tools and software should become a natural part of management directive regardless of purchase intent or timing. The

higher your company's Enterprise Technology IQ score, the lower the true costs of adopting new technology will actually be. Predictably, you can adopt new technology faster and with less friction as the score increases, and that is always preferred in a market where margins are trending downward.

Having a great Enterprise Technology IQ score does not add to your bottom line, subtract from your overhead or put you in the running for a prestigious business award. It does indicate where the true cost of adopting new technology will fall upon completion of the project. For example, a company with an overall Enterprise Technology IQ score of 26 will spend significantly more on a new ERP implementation than one with a score of 45. How? Much more time will be required for staff to learn the basic technology than what is already "understood" among employees of a higher scoring company. Equally important, a company with lower Management Resolve can often waver in establishing and sustaining momentum, which can sabotage a new implementation before it ever gets started. It is our opinion that an Enterprise Technology IQ score less than 26 is the point of diminishing returns that discourages technology adoption because it is simply too expensive from both the raw cost and human capital perspectives.