Seneschal Incorporated
Newsletter

Business and Technical Consulting You Can Trust

Let's Keep in Touch!

Newsletter Subscription
Subscribe to our free email newsletter

Send An Inquiry or Comment
Ask a question, send us feedback, tell us what your business needs

Information to Help You Prosper

Information and Referrals to Bargains
Information products for sale, and also free reports and referrals to special discounts we negotiated for you with our favourite vendors

Get Paid! As Much As You Deserve, And On Time
Affordable updated ebook – how to get your customers to pay on time and in full, without needing collection agents or lawsuits (USA edition)

Get Paid! Paperback
Amazon.com listing for the above as a paperback

2003 Book
Amazon.com listing for the original book Make Sure You Get Paid (And Other Business Basics)

Contact Us

www.seneschal.biz
service@seneschal.biz

*3608 Audubon Place
Houston, TX 77006-4416
USA*

*+1 713 893 1254 phone
+1 832 201 7720 fax*

President: Bonnie D. Huval

Succession and Systems

You have probably heard estate planners, financial advisors and business consultants say that you should prepare ahead of time for succession. When they say that, they seem to be talking about planning ahead for when a key *person* retires or dies.

Preparing for succession requires putting *something* in place that can carry on after the key person is gone. What carries on might be a chosen person, team, procedure, system, or some combination of elements.

Like people, hardware and software "age." If you are using Information Technology in crucial roles in your business, your succession planning should include key IT systems as well as key people. Sooner or later, like people, key IT systems will need to be retired or (heaven forbid) will die.

Peering Into an Unknown Future

Many businesses tell themselves trying to think about the future of their critical IT systems is pointless because technology evolves so quickly, they cannot possibly foresee enough. That excuse is no more valid for IT than it is when succession planning is about key people.

You cannot know for certain when a key person will want to retire, whether they might become unexpectedly incapacitated, or how and when they will die. If they start grooming a protégé now, you cannot be sure the protégé will turn out well—you cannot even be sure the protégé will be available and willing when it is time to replace their mentor.

None of that is a good excuse for continuing to ignore the inevitable. You have to plan for the eventual loss (in one way or another) of key people. You need backup plans in case your preferred plan does not work.

The same is true for your IT systems.

People and Systems Intertwine

Critical IT systems need the support of people with appropriate expertise. As long as you can get replacement parts readily and appropriate expertise is available, you can continue using your crucial systems even if they are ancient.

When you see parts or expertise becoming scarce, succession plans should kick into gear.

I have a client who does not believe in that. One of their key systems is so old, the last person at the manufacturer who understood it retired a couple of years ago.

For another system, the original vendor only has one person who can understand it still on the payroll. I understand it even better because one of my employees and I designed and implemented major modifications a few years ago. My employee died last May. Since the original vendor refuses to touch any of our modules, the client is completely dependent on me for much of the support.

The client obtained proposals to replace these systems, but decided not to start on replacements.

You might think these systems must not be very critical, since one has no expert support, the other has very little available anywhere in the world, and the client is doing nothing about it.

An entire factory depends upon both of these systems. If either system breaks, the factory will have to close because it will not know which of its produced items are first grade and which are not.

The factory has stayed alive even in this economic downturn, but failure of either of those systems would kill it. Will that ever happen? It has already. One of those systems completely failed in December 2007 and had to be rebuilt on an emergency basis. If it dies again when I am not available, even the vendor's expert would not be able to rebuild it quickly enough. Neither can I without my former employee. The two of us were able to work around the clock. Alone, I cannot do that for a week.

Don't be so hardheaded. Make succession plans—and when it begins to look sensible to act on them, go ahead. It's better to spend some money ahead of a crisis and keep your business open than save a little now and lose your whole business later as a result.

What's Happening with Funding?

We've been featuring discussion every month about the economy and its impact on business, taking advantage of my personal status with a foot on each side of the Atlantic to give you a personal perspective.

If you are entirely USA based, chances are that you have begun to feel some easing of the financial stranglehold most of the world has been suffering. The trouble is not over, but it is not quite as bad as it was for much of last year. Funding is more available in the USA than where I am. If you are entirely UK-based, chances are that you are feeling precious little relief. If you do business internationally, you are noticing the disparity.

My involvement with a UK private business incubator shows me more about funding availability than my IT projects, which come along only after funding is obtained. For several months, I have

not met any UK business people who will even consider approaching a bank for funding—doing so is regarded as a waste of time. UK businesses are looking for private investors and government grants.

For much of last year, government grants were a reasonable place to look for funding in Europe. Grants were being used to try to direct extra resources into the economy to prevent an outright economic collapse.

By the middle of the third quarter, that rush of money began to dry up. In the USA, you may be told the money is gone. In the UK and at least some of Europe, I see more pretense that money is still available even where it isn't any—those grant oversight bodies make a show of evaluating applications, and use the intricacy of the applications to find technical reasons to withhold funding. If you are an American partner in a consortium pursuing a European grant, keep this in mind.

Still a Great Time to Hire

For those fortunate enough to have some cash and the foresight to plan for the future, it is still an employer's market for hiring.

Take a look at where your market is trending. If you want to add expertise to your staff in the areas where you will soon have the greatest need, you can get top expertise at prices you would have paid for middling expertise two or three years ago.

This means it is also a great time to take care of any IT upgrades or replacements that you have been postponing. Doing it before the market recovers will save you money, get the disruption of the IT work out of the way while your business is not overly busy, and position you perfectly to take full advantage when the economy recovers.