



B O S T O N - L O N D O N - N E W Y O R K

Know the Risk of Growth Before Growth Becomes a Risk

CASE STUDY – PEQX1

Service:

Independent Verification & Validation (IVV) of people, processes, technologies and systems with focus on scalability and risk.

Client:

Board of Directors of a well established middle market, e-commerce business with locations in multiple countries.

Background:

Company had successfully built and deployed multiple e-commerce sites serving global markets with two distinct technology platforms. The Board and Management sought to minimize risk during the next growth phase of the business, which would require integrating the disparate platforms.

Situation:

Semaphore was requested by the board to perform a high-level 'health check' on the current state of company's people, processes, technology and deployed systems. Areas that were to be assessed included the development team, IT staff and operations personnel. With respective development and operations staff, the Board had several concerns relating to scalability, business continuity, future integration and migration issues. The nature of the business required 24/7 operational capability.

Scope:

Staffing: 2 person weeks over a one month period (2 resources)

Findings:

Semaphore used its standard methodology of discovery including documentation review, technology audit, face-to-face personnel interviews and facility inspection. Findings were not surprising as the company had grown through a series of merger and acquisition transactions. The lack of enterprise wide vision of IT Strategy and service delivery was apparent. Duplication of system operations hampered efficiencies. The individual sites operated as disconnected silos. Lack of an operational and development process flagged significant risk to service future growth. Weak supplier relationships

thwarted the ability to leverage new solutions and the legacy code required substantial remediation.

Many of the operational aspects of its enterprise put the 24/7 service obligations at risk. Single points of failure existed and were not being addressed. Limitations in back up procedures pointed to major issues with the business continuity plan.

In addition to the technology and related process issues other management and organizational deficiencies were discovered. These included the need for regular management reporting and improving the talent within the IT operation and development teams. Restructuring the IT organization to define a unified strategy, clarify accountability, improve governance and ensure all key individuals had clear performance objectives became imperative goals moving forward.

Finally, the introduction of best-practices in areas of documentation and effective operational strategies (business continuity, data management, etc.) was needed to secure desired efficiencies and to provide metrics to measure improvement.

Results:

1. The Board was presented with our analysis highlighting key risks and issues.
2. Management convened key stakeholders and prioritized the findings and defined projects.
3. The Board authorized immediate action and maintained direct lines of communications to the remediation team.
4. An action plan was created to guide future acquisitions and determine their impact on the new IT strategy and direction to ensure risk mitigation.