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INVITED SESSION

Y2K AND EURO PROJECT MANAGEMENT: LESSONS LEARNED

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Preliminary results of case studies will be presented in this session to provide an initial set of “best practices” and “lessons learned” about year 2000 and euro conversion project management. The cases reveal both similarities and differences in technical, organizational, and strategic approaches to comply with the processing requirements for the arrival of the year 2000 and the euro.

Janis Gogan, Bentley College, will discuss year 2000 project management and contingency planning, based on longitudinal case studies of six large organizations.

Janice Sipior, Villanova University, will present euro conversion project management issues, based on case studies.

Y2K

The so-called “millennium bug” is a pressing current challenge. A December 1997 AICPA survey placed the Year 2000 (Y2K) problem among the top five technology issues for 1998. For many firms, resolution of the year 2000 problem is critical to organizational survival (Allen 1998; ISACA 1997; Jenkins 1997; Kappelman 1997; Violino 1997). Successful completion of a year 2000 compliance project requires thorough risk assessment and effective project management—skills which are needed in any significant IT initiative. In addition, there is a pressing need for skills and knowledge that are unique to the year 2000 problem, including the use of new tools for assessment and renovation, understanding of the implications of various conversion choices, and other Y2K-specific concerns.

Preliminary results of a longitudinal case study of year 2000 project management in large organizations will be reported. Interviews were conducted with year 2000 project managers, team managers, and other interested parties at six organizations:

- New York Metropolitan Transportation Authority
- A multinational conglomerate
- A multinational insurance company
- A multinational bank

- A large regional teaching hospital
- A state government

The interviews examined topics such as the following (partial list):

- How do Year 2000 projects differ from other large, complex organizational issues?
- Identification of technical and economic assumptions underlying project planning.
- Assessment and management of project risks.
- Organizational structures and processes for assigning accountability and authority.
- Knowledge management, organizational learning, and contingency planning.
- Vendor management and other issues of interdependence.
- Evolution of project scope, management, and communication.
- Contingency planning for project management and for Y2K failures.

Archival materials were also gathered to corroborate interviewees' assertions of events, issues, and organizational responses. The interviews and archival materials revealed both similarities and differences in technical and organizational approaches to year 2000 compliance projects. The study has revealed an initial set of "best practices" and "lessons learned" about year 2000 project management and contingency planning.

EURO CONVERSION

A greater concern for preparing for the Y2K problem, the arrival of the euro, was reported by the majority of large corporations in a survey of organizations world-wide, undertaken by Chase Manhattan Bank (Bruner 1998). The approach to the prioritization of these two projects, with overlapping timeframes, is an expected finding since the introduction of a single currency within 11 EU Member States will affect far fewer companies than the Y2K problem. Gradual conversion to the euro may contribute to complacency, on the part of U.S. businesses, in preparing information systems to accommodate the new currency. Local currencies will continue to circulate, along with the euro, in Member States until mid-2002. This dual currency period appears to provide the luxury of flexibility or delays in the delivery of information systems until the date when local currencies will no longer be accepted as legal tender: July 1, 2002. However, any company with divisions, business partners, or customers in the European Union will be affected, which includes almost the entire Fortune 1000 according to the Gartner Group (Radosevich 1997).

Conversion to the euro must be recognized as a strategic issue that has technical implications, as opposed to the Y2K problem—a technical problem with business implications—to which it has been compared (Koprowski 1998). Some organizations persist in naively assuming the resolution is to simply add another currency. Even at a technical level, this assumption is a misconception as conversions of Member States' currencies require the triangulation calculation. A number of different factors, both internal and external to organizations, are driving the need for system modifications to support the conversion to the euro. It is critical that organizations recognize the various levels of these driving factors and appropriately analyze the specific implications for their own businesses, in order that comprehensive system specifications be developed. The four levels of factors include European Monetary Union Regulations, National Regulations, Industry Practices and Requirements, and Individual Organizational Requirements (Consultation Meetings 1997).

The preparation of information systems presents both technical and, more importantly, business challenges to all organizations with business partners in the euro zone. An organization will be confronted with dramatic changes in the external environment. Such changes require an assessment of an organization's competitive position and a determination of potential new competitive advantages and business strategies. In response, an organizational strategic plan must be developed, which drives IS initiatives and plans. Although the arrival of the euro coincides with the Y2K problem, it cannot be overshadowed. It is imperative that U.S. organizations prepare for the challenges the euro and the European Monetary Union present.

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