

Financing Quality Solutions

Melissa J. Collins

Is your manager a fire-breathing dragon? Does your budget get thrown in the dungeon year after year? If you answered "yes" or even thought twice about one of these questions, you are not alone.

The Data Processing manager faces many challenges and pitfalls in operating his or her department. One such pitfall is the budgeting and finance area. This paper will discuss solutions and methods to deal with department monies (or lack thereof) and interaction with a non-technical manager.

THE SUCCESSFUL DATA PROCESSING DEPARTMENT EQUATION

Good Equipment + Good People + Money = Quality Solutions

All of you have made an excellent choice in equipment. If you don't have the good people, they are out there for the hiring. Now all you need is the money and the management's support and Quality Solutions will be within your grasp.

So where does the DP manager fit into the money part of the equation? The manager submits a budget of his monetary wants/needs for a fixed period of time. Of course, just because he gets that amount. The DP manager must convince the upper management that the monies requested are sound investments in the company's goals and futures. This is where the hard part comes into play. HOW DO YOU convince the upper management, who has little or no computer training, that your budget goals are not unrealistic?

GETTING YOUR BUDGET APPROVED

First of all, you must face three facts. Once you come to grips with them, the outlook will not be so gloomy.

1. Your management is not against you or your department.
2. Getting the monies necessary to finance any DP project is sometimes harder than bleeding a rock.
3. Anything truly worthwhile is worth a small battle.

The first step to insure approval of your budget is to be realistic about your requests. But, at the same time, do not under-budget your department. This is a fine line to walk, but it can be done. It is always nicer to come in under budget than over budget, but if a department is consistently under budget, then a manager can be accused of "padding the budget." A few guidelines to consider about budgeting items other than normal expendi-

tures (salaries, maintenance contracts, consumables, etc.):

1. If there is the slightest chance that you will need a new piece of equipment, budget for it.
2. Be sure you have sufficient justification for new equipment.
3. If using the budget as a tool for justification of new employees, provide good evidence of need. (Such as project time tables, department workload, etc.)
4. As a tradeoff — instead of new employees, budget for programmer productivity tools whenever possible. Offer this as an alternative to your manager. If the same results are achieved, the lower cost alternative will always be chosen.

If a manager is dealing with a non-DP superior, having his support is very helpful. The time you spend educating a non-DP manager is time well spent. If your manager knows what a disc is and what its uses are, getting approval for a new one is not quite as painful.

The Data Processing department is surrounded by an aura that threatens some managers. The high technology and computer "buzz words" are enough to scare off anyone who doesn't know what is going on. By working with your manager and educating him, you will find that he will support you more. The old adage, "You can lead a horse to water, but you can't make him drink," applies here. Some managers could care less about learning more about the DP department. Subtle tactics can be used to educate a non-technical manager. Such tactics include, but are not limited to, inviting your manager to participate in your weekly staff meetings, taking him on a tour of your facility BEFORE you present your budget requests, or taking him to a regional user group meeting. These actions may prick his interest to learn more about the DP department.

Interaction with users may not seem really important in attaining your financial goals. But consider this; if the users are unhappy with the DP department, this attitude will filter up to the managers of said users. The managers will, in turn, convey this attitude to the higher management who may ultimately be in the position to approve or disapprove your budget. You can't expect your users to be happy all of the time, but shoot for making them happy as much as you can. It will help around budget time.

USING YOUR BUDGET FUNDS

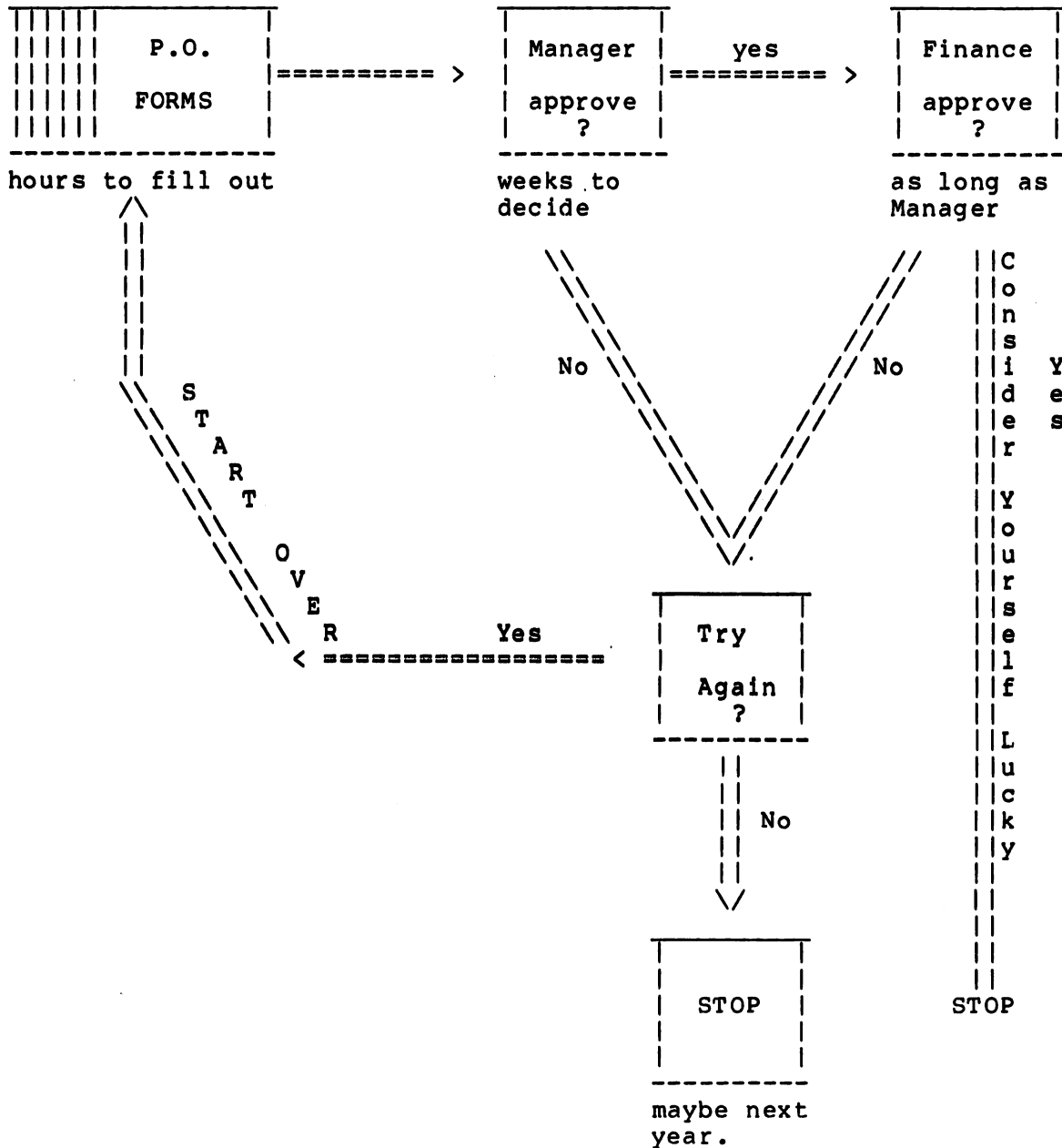
Now that your budget is approved, you don't have a

free reign in distributing the monies awarded to your department. This is a fact everyone has to face. This problem has a name well known to all of us — RED TAPE. The government doesn't hold a monopoly on the man-made phenomenon. But, there are ways to circumvent its nasty powers. Take purchase orders for instance.

Instead of filling out two tons of paperwork for a

purchase order number, have the vendor submit a bill to you that you can sign off. The end result is the same; you get product/services and the vendor gets the money (probably in shorter time). If you can follow the chart below, you can trace the path of the purchase order request. If a bill was sent to you, you could eliminate all of these steps.

PURCHASE ORDER PROCESS



Most, if not all, managers have a monetary limit for which they are allowed to sign without having their managers approval. Using this limit will help you eliminate not only the purchase order request cycle, but will

also help you acquire products/services without the approval cycle. If you want a vendor's product that is \$7,500, but don't have said product in the budget for this year, don't give up hope. Use the art of finagle. First

and foremost, check your budget very carefully to see if you have any extra money anywhere. If there is some money, but not enough, consider cutting something out, like a tape cabinet. Then, working with the vendor, try to agree on some financial arrangement that will get you your product, the vendor his money, and, most important, not get you fired. Most vendors will work with you on this. Instead of not making a sale, they will gladly bill you on an installment plan. As long as these installments are under the amount you are allowed to sign for, you will all be getting what you want.

However, it is not wise management to practice the art of finagle all of the time. The more you use it, the more likely you are to get in trouble. It is to be used when the political climate of your company is not conducive to spending, or when you know that there is no other way to get what you want. Dealing "under the table," so to speak, is a tool you have available to you as long as you do not abuse it.

FIGHTING BATTLES

So what if it's in your budget? Your manager could change his mind by the time the purchase order hits his desk. What recourse do you have except retreat? You can stand up and fight for what you want, diplomatically of course.

Di-plo-ma-cy (di plo'me se) n. 1. the conducting of relations between nations 2. the skill of doing this 3. skill in dealing with people; tact SYN. see TACT

According to Webster, the art of diplomacy is based on the skill of dealing with people. For a manager to achieve his goals, he must know how to deal with people. When a proposal is rejected, it can be very difficult for a manager to understand why his request was turned down. The first reaction is usually one of anger or frustration, which if vented on your manager, will leave little or no chance for a reverse decision.

When you have an important request turned down, analyze the situation. What was the reasoning behind the decision? The political climate of your company may have wreaked havoc on your proposal. Or you did not justify it in a way that your manager could appreciate your true need for your request. Try to see the situation from your manager's point of view. Discuss it with him, and ask him why the request was turned down. Try not to put him on the defensive about his actions. If any of his doubts can be resolved, do so as soon as possible while the situation is fresh in his mind. If this fails, you still have ways in your grasp to continue the fight.

The battleground is already set. You want something you feel you need, and your manager told you that you cannot have it. Whatever his reasoning was for denying your request, if you still feel very strongly that you need this request, sound the charge.

For an example, you have requested \$3750.00 for a

new memory board and your manager says no. Examine your reasons for this request. Obviously you feel the machine is slow, and your users are starting to recognize this fact. With your continued development work, the situation will only grow worse. Direct a memo to your manager explaining the situation as clearly as possible. Include in your comments that the users are starting to show dissatisfaction with the response time of the machine and that the situation will get worse. Other points to consider for mention are a slump in productivity and decreased throughput. If your General Ledger is coming up on end of month close, illustrate the consequences of productivity slumps and decreased throughput. That will make him stand up and take notice.

The memo serves two purposes: one, it informs your manager of the consequences of the denied request, and, two, should the situation not resolve itself, when the complaints start pouring in, you have documented proof that you tried to rectify the situation.

When the users do start to complain, and they will, tell them what the problem is and what you have tried to do about it. Be sure that you do not, under any circumstances, criticize your manager in this discussion. Eventually, the user attitude will be translated up the line to other managers and the pressure will be shifted onto your manager. This is the long way to go around the mountain, but you will eventually get what you want/need without stepping on anyone's toes.

Should this approach fail, give your manager alternatives. Instead of getting another memory board, consider optimizing your machine. In presenting this concept to your manager, provide as many solutions as possible. You could hire another programmer to optimize all of your code. You could buy OPT/3000* and train one of your staff to interpret its data and optimize where necessary. Or you could hire a consultant and let him figure it out. All of these are alternatives. When presented to your manager, he will realize that these are all costly alternatives, much more than a memory board. So in order to save the company money, you will most probably get your original request.

If all other efforts fail, start a memo blitz. Every week or so, send your manager yet another memo concerning the subject. Be sure that these memos are inoffensively worded or the heat will turn against you. You may get your request just because your manager wants the paper barrage to stop or he doesn't want to be bothered anymore.

One final word on the subject. If you are informed that the answer is still NO after all of your efforts, it may be best to hold off for a while until the smoke has settled and then try, try again.

*Not to be considered an endorsement of this product.

