



## Consulting Technology Suppliers

intelligent financial software

## Consulting Technology Suppliers

Typically the suppliers of mortgage technology, by the nature of the largely regulated UK lending market, engage with complex business environments within which technology is seen as a solution to cut through perceived commercial and operational shortcomings.

So, technology suppliers are often brought in by businesses as the deliverers of major change for which hopes will run, perhaps unreasonably, high.

As a response to this, the role of the supplier has been steadily evolving through the last decade as it seeks to offer a more complete service to deliver an effective solution to a problem rather than simply installing and configuring a system stack.

The need to deliver business sector experience and consultancy to shape the technology into a valuable asset has become an essential part of the supplier's *raison d'être*.

Mortgage software, in order to be applied to best effect requires the supplier to partner with the lender to move from, in the worst of cases, positions of general uncertainty with incomplete agreement on the problem to be addressed (much less the solution required) with unbounded requirements with fuzzy timescales.

By applying the experience of many implementations and accumulated business sector knowledge, the confusion can be converted to a position where the facts are known, the problem is agreed upon, there is knowledge of the potential solutions and, so, the problems become bounded.

## Making sense of the need and adapting the approach

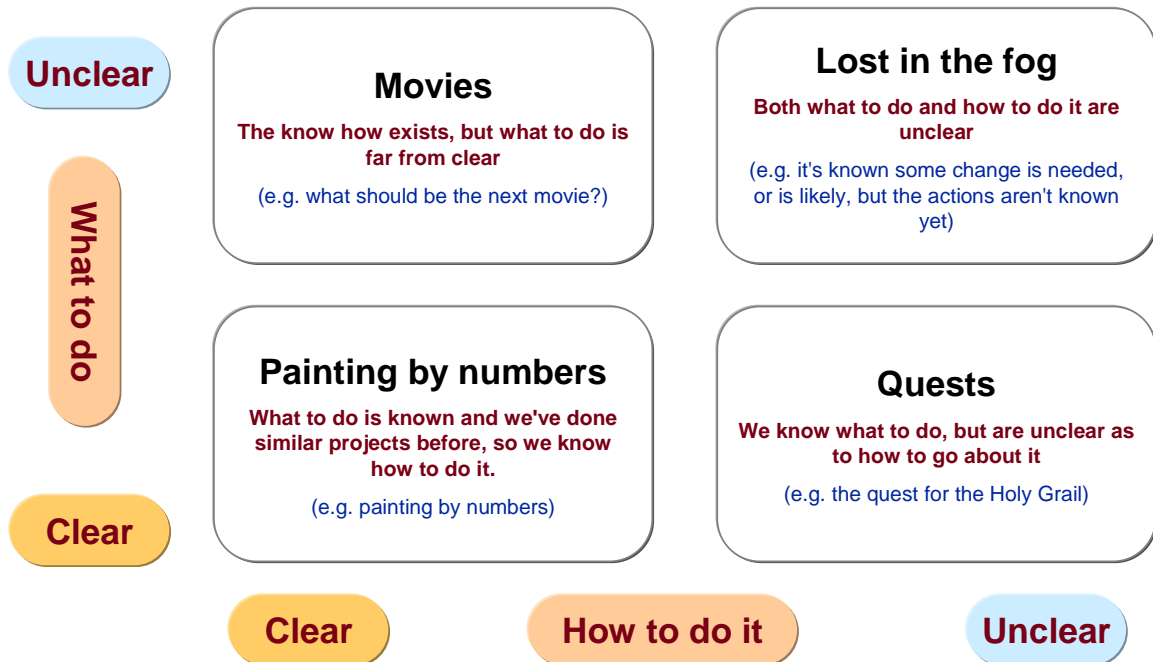
It is a generalisation, but a useful one, that the seekers after a technological solution to solve their problems fit one of four quadrants defined by increasing clarity over what they want to do and how they intend to go about it.

First (after Eddie Obeng in his excellent book 'New Rules for the New World') where there is a clear vision of what needs to be done and how to do it, we have the *Painting by Numbers*; where what to do is known and they've done similar projects before, so know how to do it.

Next, where what to do is not clear, but the know-how exists to deliver, we have *The Movie*. We have the studio and staff but no script. So, what should be the next movie?

In the reverse position to making movies, we have the *Quest*. We know what to do but have no clue about how to do it. The example is the quest for the Holy Grail, an open ended enterprise if ever there was one.

Finally we have the nemesis of being both unclear on what should be done (but there is real conviction that *something* is needed) and no idea how any course of action could be carried out: a case of being *Lost in the Fog*.



### Why does this matter?

Because the approach and outcomes are different.

**Painting by numbers** is the classic project management - a highly deterministic approach with clear objectives milestones and deliverables. In this environment, the

project plan is the driver and people do what's required by the plan. Painting by numbers projects need task oriented people and little or no creativity. Beware though; the key danger is successfully delivering the wrong thing!

**Quests** rely on people, creative people. It's people that determine what to do next and make intuitive leaps to discover the way forward. The plan imposes some conditions and typically these may be boundary conditions, for example, wherever you get to by Friday, stop.

**Movies** rely on coordination, ambiguity, and making it up as you go along. The plan is the controlling force for providing resources (it's been done before) but people provide the finishing and unique touches.

Imagine being on the top of a mountain, **in the fog**, and no map or compass; that's a foggy project. Sticking together and progressing bit by bit are the keys to success.

### What kind of projects?

If you imagine a diagonal scale moving from the Painting by numbers in the lowest left-hand corner towards the foggiest project in the top right; there are a certain business projects that seem to be best suited:

- **Standard projects** - low risk meet the requirements, do it right first time.
- **Continuous improvement projects** - still low risk but could be a bit of a quest or a movie depending on the circumstances;
- **Step change projects** - higher risk and well into the quest/movie.
- **Radical change projects** - these start out as Foggy projects and are high risk. You'll need corporate courage to do these.

And the key point of this: Match your people (project managers) and techniques to suit the circumstances.

### The technology supplier differentiating itself

In the current UK lending marketplace, the choice of alternative technology solutions for lenders is varied in many ways; significantly in terms of completeness of end-to-end capabilities, cost of acquisition and ongoing cost of ownership. Lenders often look to source specific solutions for specific parts of their value-chain – for example a loan origination system to be integrated with a legacy servicing system.

The technology supplier can differentiate their proposition by delivering valuable supporting consultancy and is well served by assessing where into the grid they will be engaging, ranging from the Directed (Painting by Numbers), through to the Director (Lost in the Fog).

The approach required to operate effectively with a Client in each of these spaces will be different and the journey within each Client relationship will move, if the technology supplier gets it right, always out of the fog and into the clear.