



Y2K Emergency Room Tactics: A Risk Management Strategy

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As the Year 2000 (Y2K) approaches many businesses are coming to grips with the true effect and magnitude of the problem. Computer technology has become pervasive, almost ubiquitous. Today one is hard pressed to find some portion of our lives that isn't touched by information systems or computer technology. Cars have microprocessors adjusting air/fuel ratios for efficient operation. Tellers at banks are rapidly being replaced by ATMs, and checking out at the supermarket – even a small town market like the one I go to in Eatonville, Wash. – is now facilitated through computer technology.

Enter Y2K, a small design strategy problem. Back when there were wood burning computers (Just kidding) memory was expensive. Whether it was "core" or storage, it was just plain expensive to store data. So a couple of smart programmers came up with the idea of using just two digits to store the year, and have the program assume the 1900 portion. That seemed okay, considering that the anticipated useful life of the program in the late 1960s and 1970s was about five years. No one had really considered these applications would be maintained like vintage cars past several decades.

As this space-saving strategy caught-on, many systems were developed, modified, augmented, bent, spindled, folded, and mutilated, leaving organizations with a code legacy of Herculean proportions. It's now the eve of 2000, the end of the world if you will listen to the doom and gloom sayers.

On trips between coasts I am constantly asked: "Aren't you worried about the future? What are you doing to prepare?" My answer is rather surprising to most. I'm not in a panic, nor have I stuck my head in the sand. I'm preparing as if a major period of bad weather is about to hit, not the end of the world. I look at it more as a major inconvenience and less as a major catastrophe. Will systems crash? Yes. Will data be lost? Yes. However, life will still go on for most.

The question for businesses at this late stage of the game is what can still be done? What I have been advising corporations to do is employ a risk management strategy approach. The common model that I recommend comes from the medical community and is known as "Triage."

In Triage one partitions problems into a series of classes, those that are most pressing, those that will become such, those that are hopeless, and those that can wait. Then you address them in priority order. The classification criteria that is needed is as follows:

- Catastrophic – loss of life or injury, fatal to business.
- Critical – significant loss of business function and economic loss, possibly fatal to the business.
- Major – economic loss.
- Minor – economic loss.

Unlike what other consultants who use similar prioritization schemes might recommend, I don't suggest you immediately classify every piece of IT (information technology) you have in your inventory. (You do have an up-to-date inventory of course, don't you? If not, don't be alarmed, you're not alone. The Y2K scenario may change that for you.) Going a step further, the approach that I have found most successful is based upon using some classic engineering techniques with a little modification, of course. Simply stated the following is a quick list of the steps you should go through:

- Identify and classify all business processes first into the above categories.
- Identify the associated technologies for each class.
- Determine if the technologies will compromise the business processes if they fail, and organizational effects.
- Determine risk management strategy: Avoidance, Mitigation, or None.
 - Avoidance strategy: Examples are preventive maintenance or replacing the technology.
 - Mitigation strategy: Examine such areas as backup systems, outsourcing, or repairing after the fact.
 - None: Just ignore it, as it doesn't really matter right now.

Remember the goal is to keep the business (patient) alive and perform the other types of procedures as the business (vital signs) stabilize. The way to do that is not through the technology, but through the processes that are critical to your company's well-being. After you have carefully reviewed the processes then examine the technology that needs to be addressed now! How you address that may give you new opportunities like just replacing the application completely with more up-to-date technology. Thus, making you even more profitable and competitive in the Year 2000.

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