

Seminar on Crisis Management and Information Technology
- Helsinki -

Reform of Information Management Systems in OSCE
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“Delivering best practices in management and administration”

I would like to thank you for the invitation to present OSCE's ideas on how Information Technology can support management in our organization.

1. Introduction

We all know that it has become increasingly important for organizations to take advantage of the rapidly evolving information and communication technologies to assist and improve management's ability to perform their mandates efficiently and effectively.

Unfortunately, the perception of IT solutions bringing quick fixes to managerial problems rarely match reality and contributes to the image of IT being an un-necessary expense, improperly implemented and badly managed.

We all know that resources for multilateral aid are scarce and the competition has become increasingly difficult. In any international organization, IT and Communications costs are easy, visible targets and they are constantly being questioned by Management. Our governing Bodies are frequently engaging specialists in evaluating the cost-effectiveness of our IT investments in addition to requesting specialized IT-audits and oversight reviews. It is not unusual to see the diplomats in our Governing Bodies expressing their dissatisfaction with the Executive Managers' ability to implement effective IT solutions by freezing or cutting financial resources.

Who is at fault? The Governing Body, the Executive Management, the Heads of IT or the commercial vendors?

2. Facts about ITC in OSCE

Even though the OSCE is a very young organization, we have not escaped the pitfalls that can be encountered in IT developments. After 2000% expansion in its first 10 years of existence, the OSCE has now stabilized with approximately 4500 people and yearly budget of Euro 200 million. 10-11% of our overall budget is being allocated for ICT and therefore contributes to the image of IT being expensive.

On what grounds are such statements being made? In discussion with benchmarking organizations such as the Gartner Group, identifying benchmarking peers for the OSCE may be possible but is not an easy task. In some respects, the OSCE may be similar to the

UN, NATO or IBM but in some other areas should be compared to the Oil industry, Governments or banking environment.

From an IT perspective our environment is rather inhomogeneous. Nothing to be proud of, but many factors have contributed to this: rapid expansion of OSCE as a whole, our geographical spread, the need for rapid deployment, the level of communication capabilities and services in post war areas as well as the lack of organizational standards and guidelines. Today OSCE has developed into a menagerie of communications avenues; a patchwork of centralized and decentralized systems, various hardware platforms, email systems, document management mechanisms and local intranets.

In 2000, the Governing Body of OSCE put a freeze to all IT development pending an OSCE wide IT strategy to be adopted. They appointed different external IT experts and groups of diplomats from Participating States to assess the situation and to recommend solutions. The recommendations cover the standard range of options: outsourcing, integration, standardization, centralization, decentralization, consolidation and expansion in various areas.

OSCE Management acknowledged, that responsibility for the so called “failures” as stated by the independent expert groups, were more to be attributed towards “convoluted decision making and processes” and management itself than to the actual IT projects. Management had failed to meet the necessary and sufficient prior conditions required for IT solutions to become effective management tools.

3. The way forward

To move OSCE forward, the Secretary General introduced the OSCE Management Agenda. The Management Agenda presents a comprehensive and coherent approach for reforming resource-management of the OSCE while defining roles, processes, and accountability. We are also identifying areas for streamlining, elimination, and/or rationalization. The management agenda touches upon human resource management, management of OSCE documents, information and data as well as the improvement of IT/communications. An Operational Plan was established assigning responsibilities to various departments, services and sections of the OSCE and to provide a framework that will allow Senior Management to monitor implementation. However, core to the Management Agenda is the development and implementation of an Integrated Resource Management (IRMA) System.

When the Governing Body on 26 of July 2002 approved resources for the system, the European Union phrased the following:

“IRMA is the operational implementation of the Management Agenda programme agreed upon at Bucharest in 2001. It is a programme that will ensure that the OSCE develops and implements a continually improving model of best practice in management and administration.

They continued...

“This system will be delivered through an integrated IT based platform. It will create for the OSCE a professional, cost efficient, budget based management structure that will ensure our future operational activities conducted in the most effective and transparent manner.”

And concluded

“When linked to strong leadership and clear political direction, IRMA will give the OSCE the capability to respond positively to new challenges whilst ensuring that all stakeholders can fully understand the resource implications of their aims and objectives.”

4. What is OSCE expecting from IRMA and ITC

The vision for IT

The way forward seems clear. OSCE needs to focus on its core business, in which IT is an important tool used to enhance Accountability and Transparency in OSCE operations. Management has recognized that IT can support integration and simplification (demystification) of day-to-day processes. The overall vision has been described in the paper: “IRMA and the yellow laptop” which you were provided with. At this stage the OSCE is in the process of executing this vision in the following ways:

The vision for Infrastructure

The OSCE is already progressing, and the first step taken was to identify where the organization has a comparative advantage of keeping the IT related business in-house or where outsourcing/hosting is more economical. The IT Staff were rather relaxed: ‘Let us see whether they can do it better than us’

Five components in the Infrastructure area are being assessed for possible outsourcing including WAN, LAN, security, and Servers to end-user support.

In a recent bidder’s conference, OSCE seemed to have scared some of the major players in the IT outsourcing field with the OSCE description of functions and services being provided and the expectations of a potential outsourcing partner. The vendors concerns focused around: i) the extremely short planning period available to OSCE in respond to political mandates ii) the legal and logistics issues for operating in post war areas and iii) the need for being onsite where neither communication nor networks could be considered reliable. The bidders asked whether a workshop in one of the OSCE mission could be conducted prior to the bidders providing their proposals. They wanted to experience the “real environment”.

The vision for application support

In the application area, OSCE is focusing on three major components: i) The OSCE ERP System (IRMA), ii) a document management system and iii) linking missions and institutions together (extranet). Politically it might be wiser - although incorrect – to call it the OSCE Intranet with access by staff and delegation independent from location. No one likes to be considered “an outsider”

We are close to selecting a system integrator to assist us in implementing best industry practices and to re-implement the organization’s ERP system. The challenge in selecting a

partner is to identify the one that provides best value for money, meaning a pragmatic and ethical approach, high level of integrity and profound experience relevant to OSCE.

It has become obvious that reform, streamlining and process simplification/elimination will create a lot of anxiousness and uncertainty in the organization and will need to be supported from external partners. Today, such multi-million dollar investments must be supported by a business incentive. There will ultimately be functions no longer performed and new functions established for which many staff members' profile would have to change.

5. Conclusion

OSCE wishes to benefit from best industry practices in the IT market and to be able to use off-the-shelf solutions. Therefore, both Management and the OSCE Permanent Council are aware of the need to make decisions on an ad-hoc basis. This is necessary to avoid OSCE specific or customized solutions of commercial packages and to improve the way the organization is conducting its business instead. A situation, that is probably only possible due to the permanent presence of the Permanent Council in Vienna and its ability to make fast decisions.

To ensure transparency and ownership for such major undertakings our Participating States have established a Working Group for monitoring and providing oversight.

Hopefully, OSCE will be in a position to finalize these important projects with good governance, committed management and effective IT solutions.

In a recent UN - JIU report on ERP implementation in the UN Systems, the Chairman of the JIU states:

“In spite of considerable financial investment for MI systems which is estimated at over USD 1 billion for the whole United Nations system, most of the United Nations system organizations have had a modest success in their implementation. The usefulness of such systems is limited generally to administration as an administrative processing tool, and they are not functioning as a strategic means for decision-making”.

Chairman, JIU

I would like to conclude by killing the myth that costed many of our IT predecessors their jobs; IT solutions cannot replace “strong leadership and clear political directions” but can be an effective vehicle in “delivering best practices in management and administration”.

Thank you.

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