The year 2000 date change

Greg Purcell

Some people may think it strange to be presented with yet another overview of the Year 2000 Date Change problem (or Y2K to the aficionados), bearing in mind the amount of publicity it has received already.

However, it is a critical business issue which is not yet given the priority it deserves in an alarming number of companies across all sectors (of which we will hear more later).

The purpose of this presentation is not to frighten the living daylights out of you, but if you walk away feeling a little anxious then that would not be a bad thing!

Let's begin by looking at why we have a problem. Before the days of the personal computer and the microchip, the most expensive computer resource was memory. A computer with 16k of memory would fill a room with the machinery to support it. This drove a technical approach which took into account every single character which was to be processed, and it pared it down to the absolute minimum. Hence representing a date as '79' not 1979 made perfect sense and had a real financial benefit - recent research has shown that the cost of using four digits for the date from day one would have surpassed the cost of sorting it out now! With the next millennium just around the corner, we are left with a myriad of systems which will look at the year 2000 as '00' and compute that it is earlier than '99'.

Looking at industry in general, some of the recent press and publicity about the issue is quite alarming. Unilever expects to spend at least £300 million sorting it out, and Reuters predicts that Britain's top companies will spend at least £50 billion in total.

Service company Prove IT2000 recently published results of a survey of 10,000 small and medium sized businesses showing that 80% of companies in this category had not even begun to tackle the problem.

So what is involved in addressing it?

One of the difficult things about assessing the impact on your business is spotting where the problem exists. The list of things to check should include

• financial and supply chain systems

• plant systems - weigh scales, PLCs, ovens and so on

• lifts, alarms

One of our customers has taken a very structured approach. To give you a profile of this company, they turn over £140 million and employ 2000 people making own-label prepared meals, snacks and convenience foods for the multiple retailers.

The first step taken was recognising the importance of the project to the business, giving ownership of it to 'cooked meats engineering' and not IT. A new Y2K officer was employed to run the project - a full-time job not a background task for an already overloaded manager.

Once you have that level of commitment then the hard work begins, cataloguing all of the systems and all of the pieces of kit which are affected (that is, which need to be checked out for Y2K compliance and labelled accordingly).

This does not just apply to your systems and kit, but also those of your sup-pliers. This will allow you to monitor their progress and manage your business risk.

Is this a critical supplier who needs to be ready for you to stay in business, can they afford to lag behind a little and assess the impact, or can you switch to another supplier who is ready?

All of the above needs to be part of a coherent action plan, with tight deadlines (getting tighter every day). Proving your ability to get there in an organised fashion, taking your critical suppliers with you, will be a major competitive advantage in the run-up to the big day. Indeed, for our quoted customer, passing the supermarket audit was one of the key deliverables from the project.

I hope this paints a picture of what is involved. You won't know the potential impact on your business until you start your project, and at the time of writing you have 431 days left - if you work all the weekends.