

***The Year 2000
Wake Up
Discussion***

➤ Howard Finberg
Central Newspapers, Inc.



A disaster that isn't a surprise

- **Unlike war or economic collapse, we knew this problem was coming**

- **We cannot extend the deadline for Y2K projects**

- ☞ Most of us were late before we even started

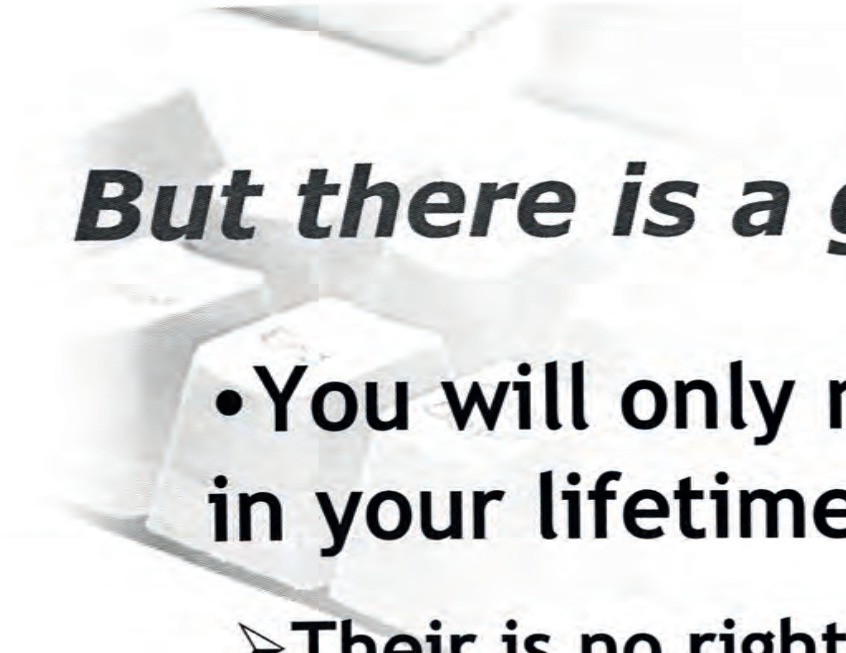
- ☞ Until recently many of us were in denial



A disaster that isn't a surprise

- If you hear anything new in this presentation...

...you are in **real** trouble



But there is a good news

- **You will only need to do this once in your lifetime**
- **There is no right or wrong way to deal with the Y2K issues**



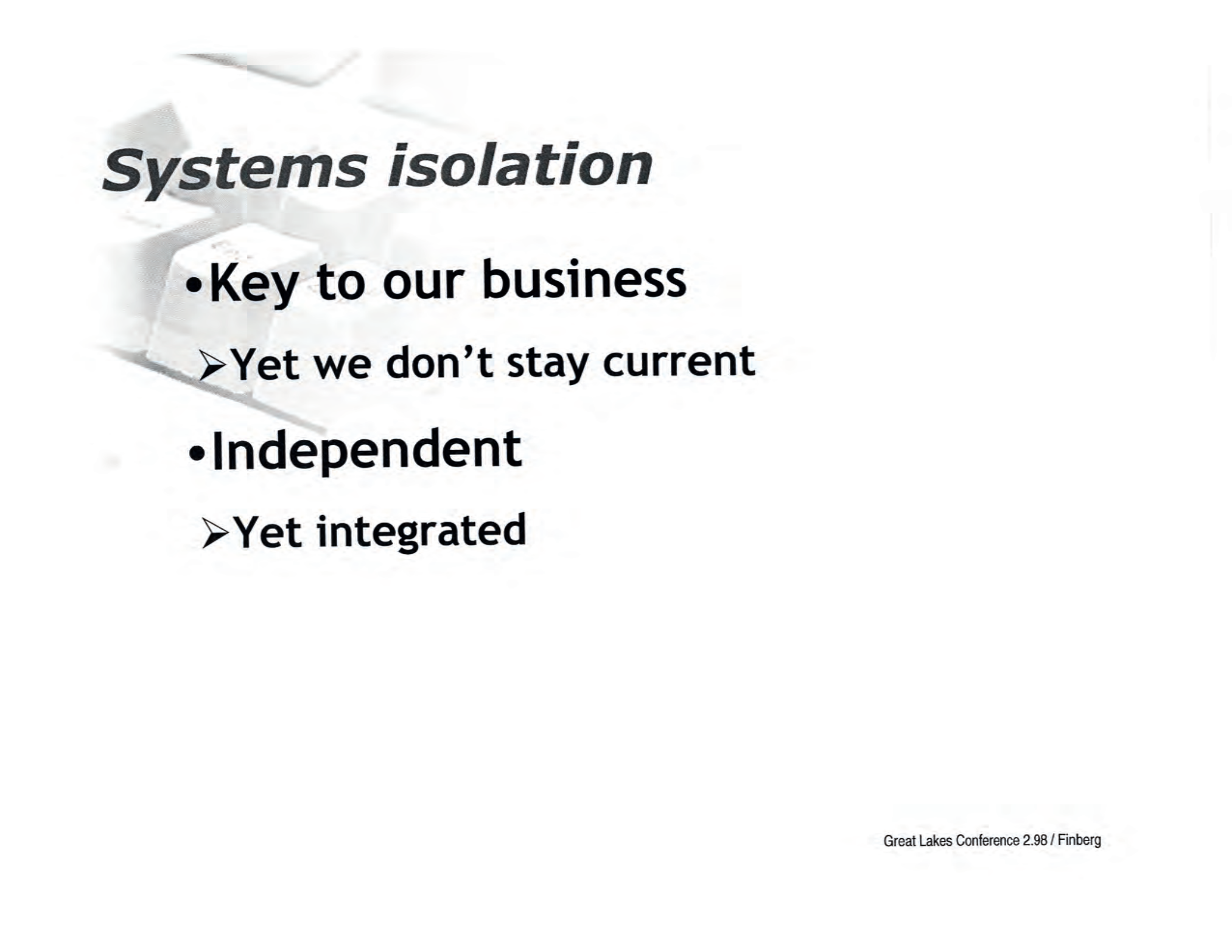
How did we get here?

- **Not how the Y2K problem happened**
- **Rather, how did we let it affect our business**
 - **One issue is how we look at systems**

Is your business run this way?

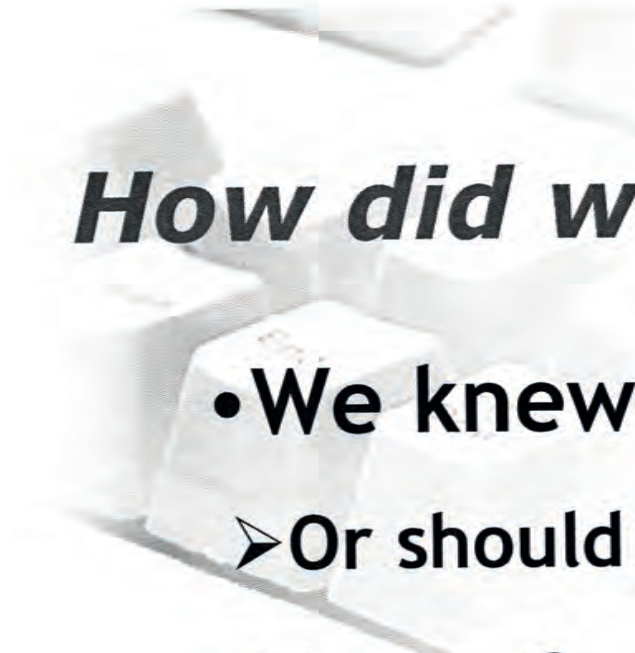


***This is an exaggeration,
but not by much***



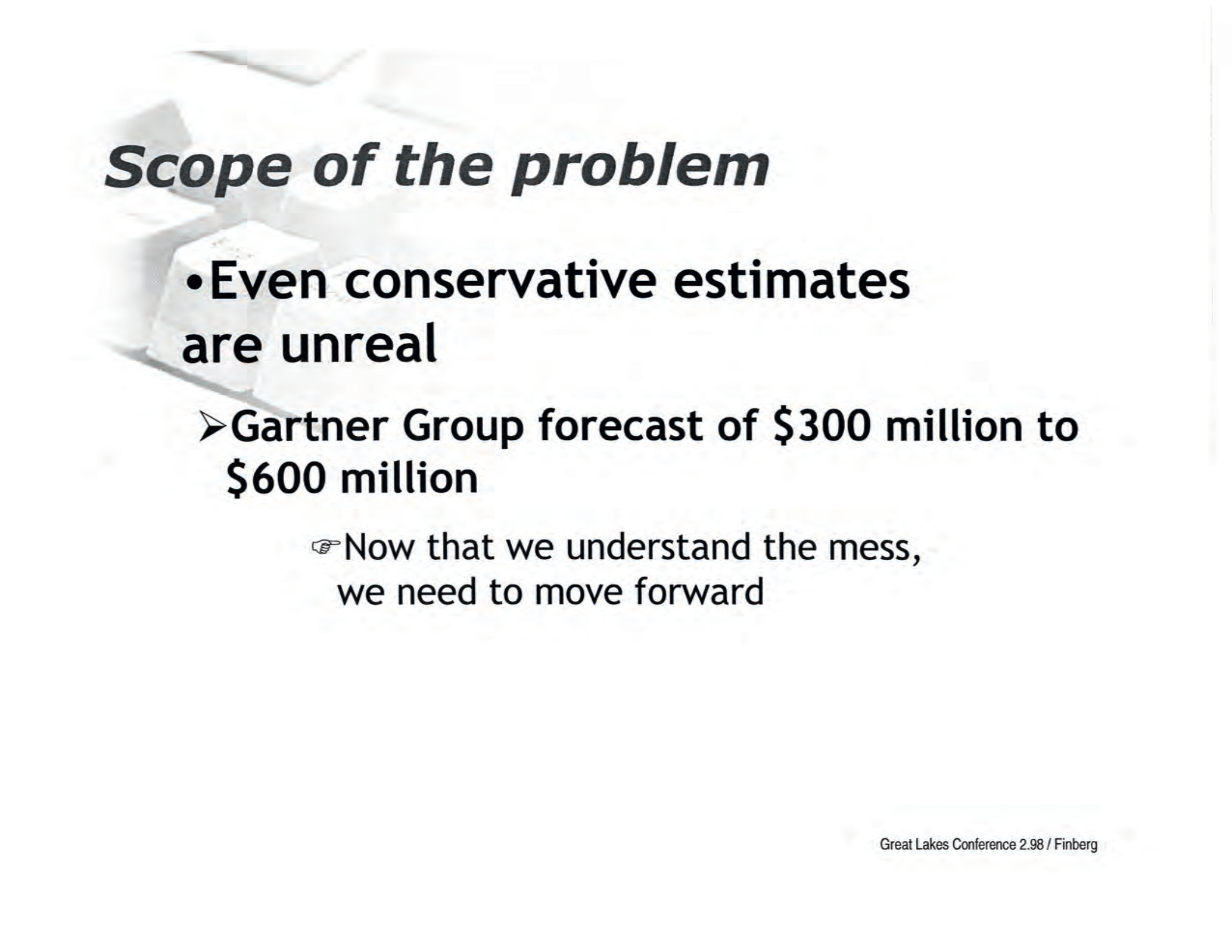
Systems isolation

- **Key to our business**
 - **Yet we don't stay current**
- **Independent**
 - **Yet integrated**



How did we get here?

- **We knew Y2K was coming**
 - **Or should have**
- **Most of us under estimated the scope**
 - **Or management was not convinced**



Scope of the problem

- **Even conservative estimates are unreal**

- **Gartner Group forecast of \$300 million to \$600 million**

- ☞ **Now that we understand the mess, we need to move forward**



So what, it isn't my problem...

- It will impact every business
 - Because it will impact the economy

Opps, that's denial

So what, it isn't my problem...

- **Economic forecast**

- **0.3% drop** in economy's growth in 1999*

- **0.5% drop** in economy's growth in 2000*

- ☞ That effects the financial health
of all our businesses

» **Standard & Poor's DRI Forecast
in Business Week 3.2.98**

So what, I'm not in systems...

- **This isn't just mainframe computer problem**

Opps, that's denial

- **Pre-press**

- **Press**

- **Post-press**

- **Elevators**

- ☞ If it has a chip in it,
there might be a problem

So what, I'm not in systems...

- **Desktop issues are now surfacing**

- **Watch out for those “hidden” computers that do vital functions**

- ☞ **Bias against bad BIOS**



So what, our stuff is OK...

- **What about your advertisers?**
 - **If they suffer, what will happen to their ad budgets?**
- **Your suppliers?**
 - **If they have problems with delivery, what about your business**
- **Your bank? Your local government?**



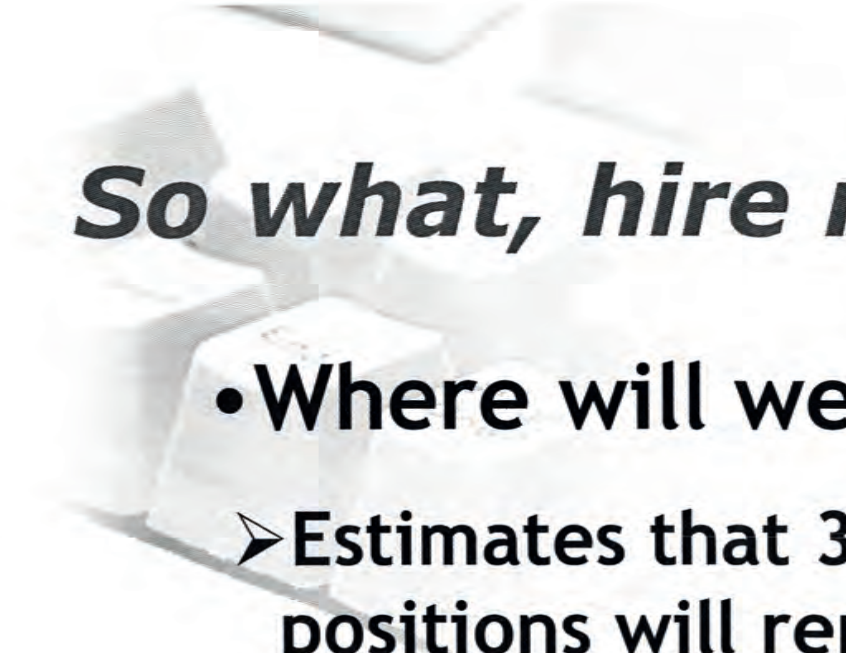
So what, we'll buy a solution...

- **New systems need new integration**

- **And that's still time consuming**

- **And vendors can't promise all the solutions**

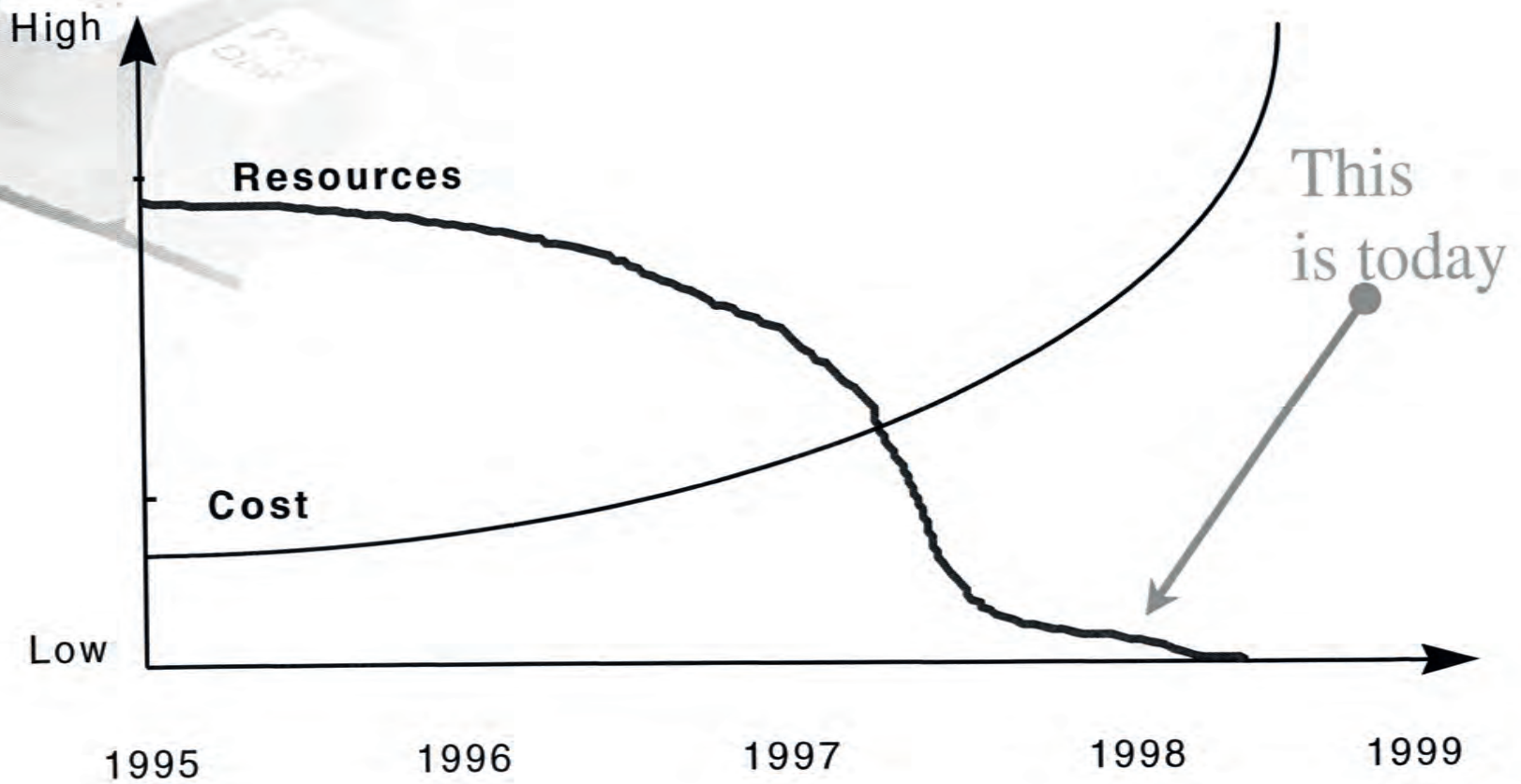
- ☞ **And they'll go where the money is -- big customers first**



So what, hire more people...

- **Where will we get the people?**
 - **Estimates that 300,000 programming positions will remain empty**

Time is running out





Our desired goal

Survival



Our desired objective

- **Get the job done
with a minimum of disruption**

If we are lucky

- **We also have an opportunity**
 - **While we fix Y2K problems we can look at the enterprise**
 - **Find and fix other problems that we never had time or money to address**
 - ☞ Time to look at enterprise-wide solutions
 - ☞ End "System Isolation"



Today's situation

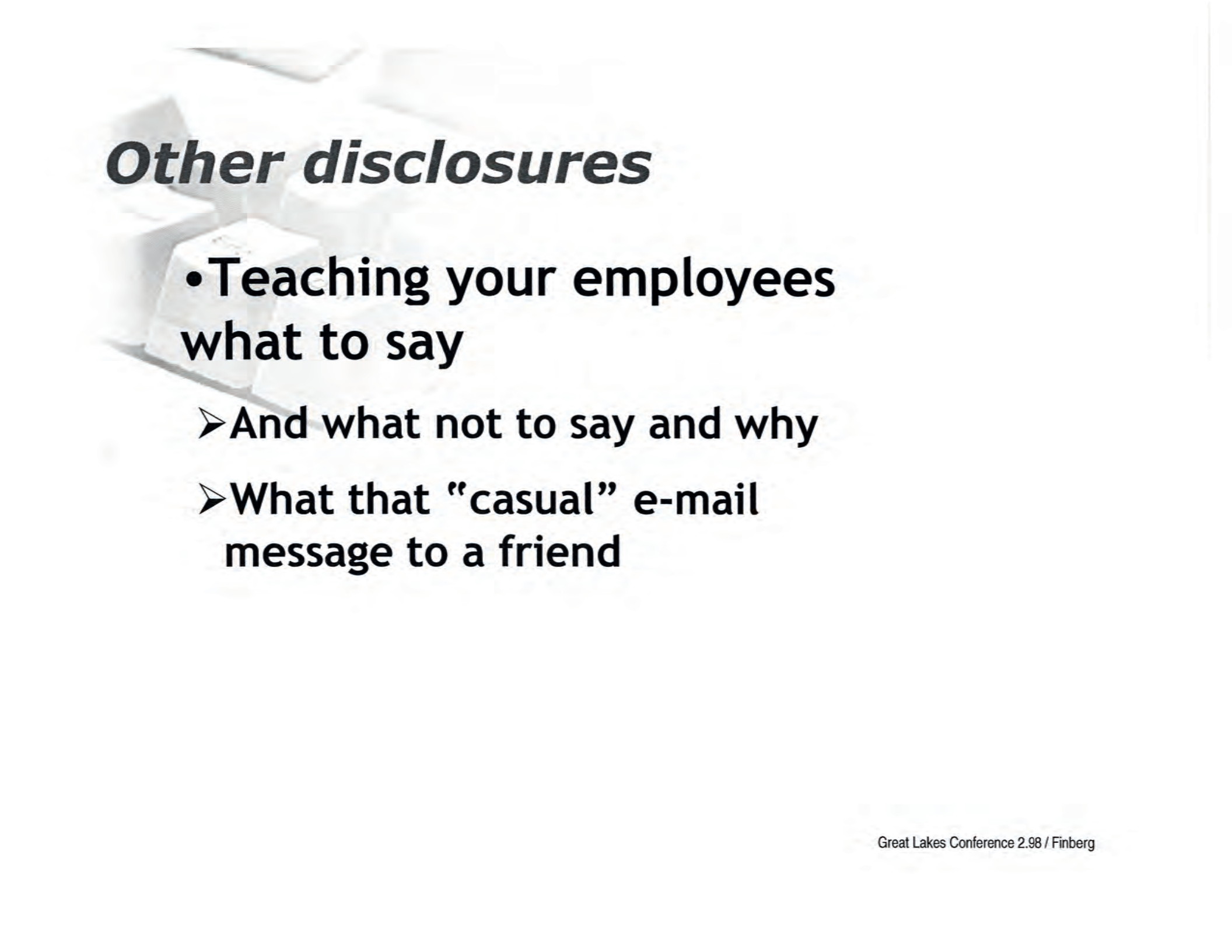
- **Inventory**
- **Audit**
- **Fix or Replace**
- **Track**
- **Test**
- **Test some more**

Today's situation

- Your plan should be in place
- 1999 should be dedicated to final testing, cleaning up fixes
 - The operable word is *should*

Other issues

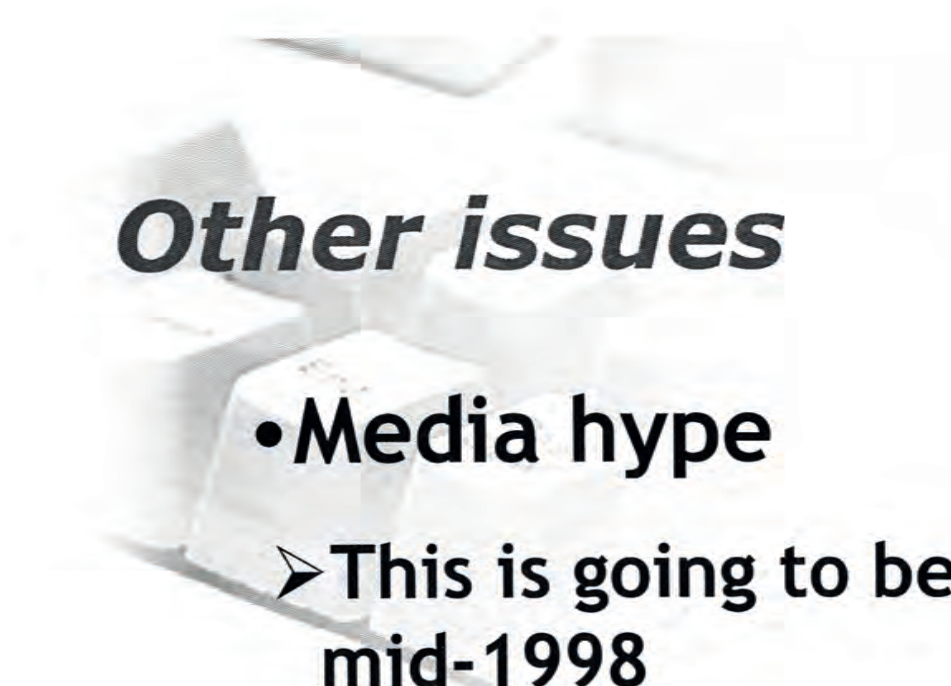
- **Legal responsibilities**
 - **Auditing firms gearing up for Q & A**
- **Disclosure to your board, customers, employees**
- **SEC guidelines**
 - **Congress may make reporting mandatory**



Other disclosures

- **Teaching your employees what to say**

- **And what not to say and why**
- **What that “casual” e-mail message to a friend**



Other issues

- **Media hype**

- **This is going to be a hot story starting in mid-1998**

- ☞ Look for lots of “panic” as the more and more people understand the impact
- ☞ Focus on the failures

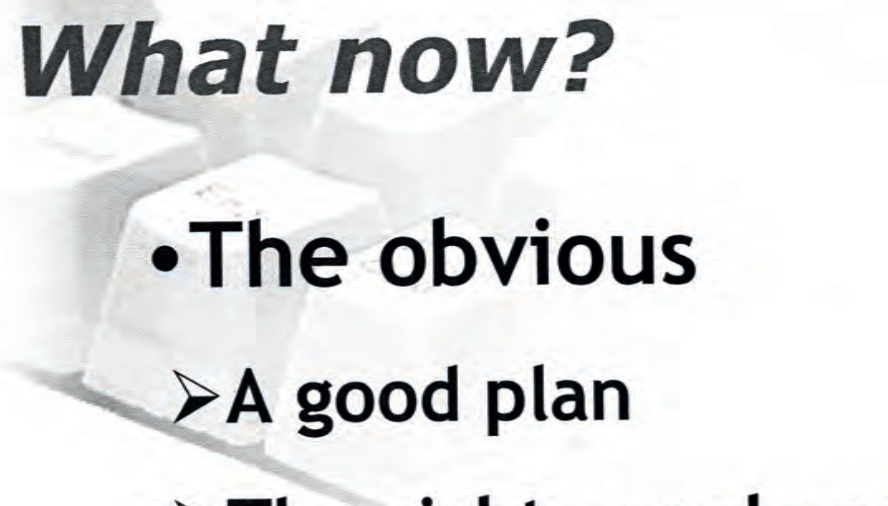


Available options

- **There are no options!**

Available options

- **Y2K work will take resources away from other projects**
- **In a good year can you finish the list of technology projects?**
 - **And that list of projects is getting longer**
 - **As for outsourcing, you'll pay big dollar**
 - ☞ **if you can get the help**



What now?

- **The obvious**

- **A good plan**
- **The right people and resources**
- **Management support**



What now?

- **It is no different than other major project**

- **With one exception: The end date is fixed!**

Business impact vs. Time available

Already late	Moderate Risk "C" priority	Very High Risk "A" priority
Tight	Low Risk "D" priority	High Risk "B" priority
Generous		
	<i>Business inconvenience</i>	<i>Significant cost</i>
		<i>Business failure</i>

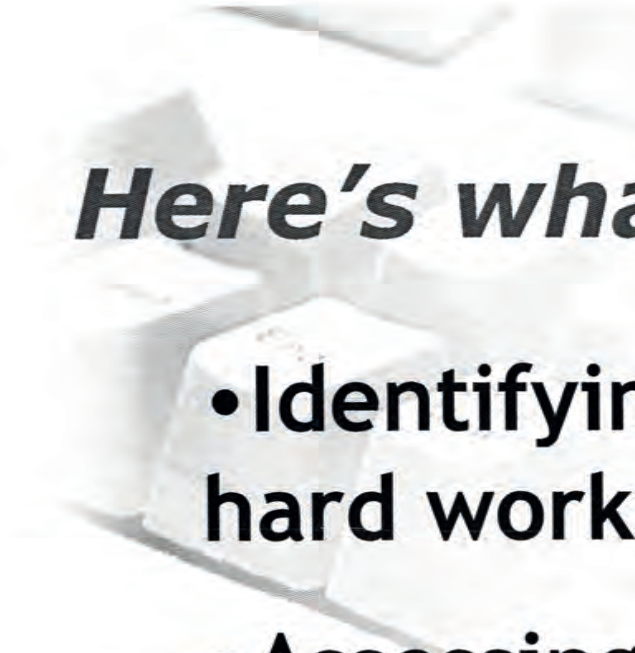
Here's what we've done

- **Central Newspapers' approach**
 - **Started late 1996**
 - **Went into action in early 1997 with dedicate IT staff**



Here's what we've done

- **Across all departments**
- **Across all properties**



Here's what we've done

- **Identifying all the systems was the hard work**
- **Assessing the risk/impact was next**
- **Analysis of the fixes is underway**
- **Conversion is underway**
- **Implementation and testing is underway**



Here's what we've done

- **Central Newspapers' approach**
 - **We meet and teleconference every week and have ad hoc discussion daily**



Here's what we've done

➤ Appoint a project leader

- ☞ We have both a systems leader and an applications leader**



Here's what we've done

- **Kept management informed**
- **Discussed the legal issues with attorney**
- **Kept your employees informed**
 - **First the IT staffs**
 - **Now the rest of the company**

Here's what we've done

- **Taken nothing for granted**
 - **We assume it will be worse than we predict**

This is going to be hard

- **This is a dirty, disgusting job...**

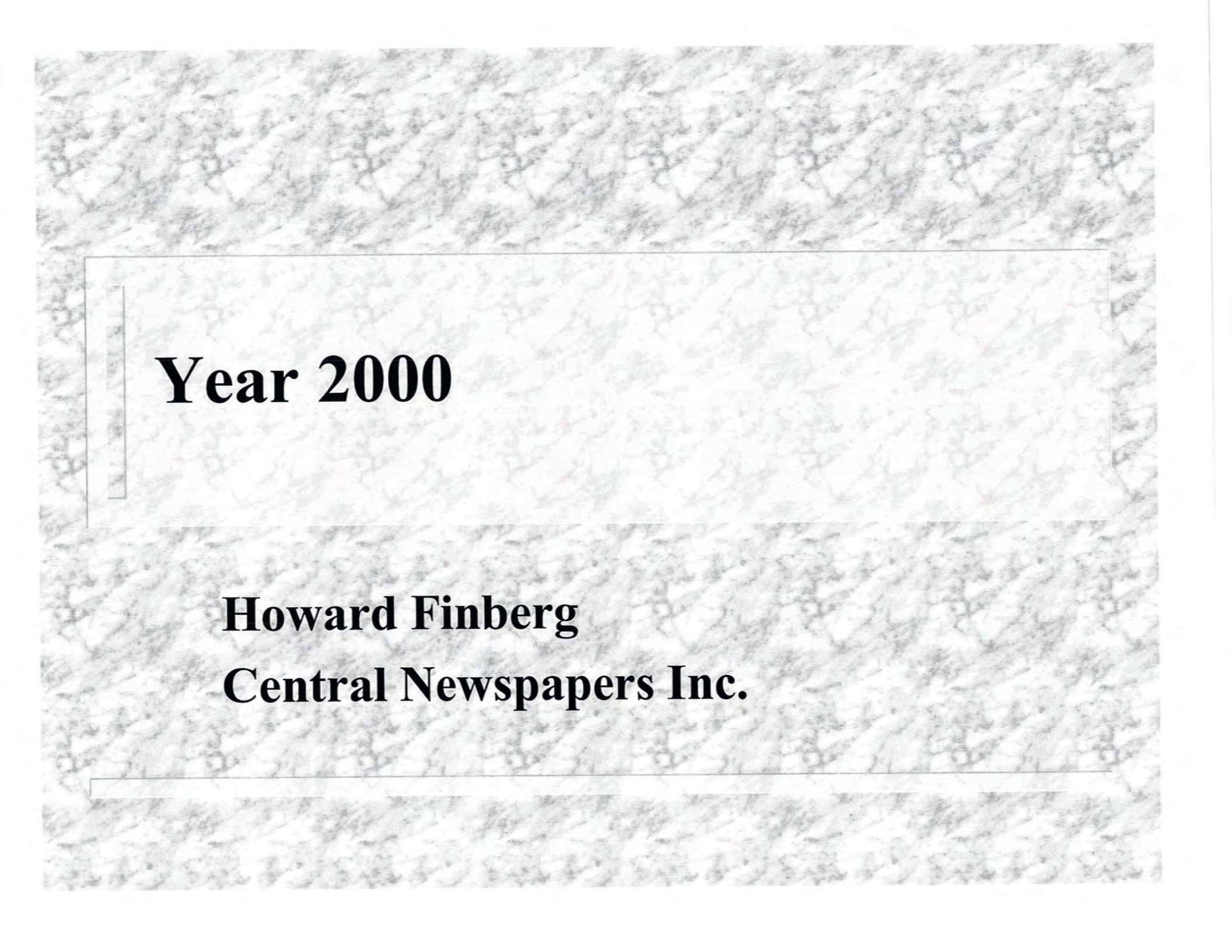


Could be worse, it could be raining



Thank you

- **Ask questions now**
- **Send e-mail later**
- **howard.finberg@centralnews.com**



Year 2000

**Howard Finberg
Central Newspapers Inc.**

Thank god we will only need to do this once in our lifetimes.

- We cannot extend the deadline for Year 2000 projects.
- Most of us were late before we even started.
- Until recently many of us were in denial!
- If you hear anything new in this presentation you are in real trouble.
- There is no right or wrong way to deal with the Year 2000 issues.

Goals and Objective

- The desired **Goal** is survival.
- The **Objective** is to get the job done with a minimum of disruption.
- We can also add **Opportunity** to the list.
- While we fix our Year 2000 problems we can look at the enterprise and fix other nagging problems that we “never had time/money to address”

Today's Situation

- Even if we clean up our acts, what about others.
- Inventory, Audit, Fix or Replace, Track, Test and Test some more.
- 1999 should be dedicated to final testing and clean up fixes. The operable word is should.
- Legal issues e.g.... SEC guidelines, disclosure to you Board, customers, employees
- Your plan should be in place.

How Did We Get Here?

- We all knew it was coming!
- Most of us underestimated the scope or management was not convinced.
- Our friends in Washington have done very little to help. 2000 may be the year we get a flat tax!
- Now that we are in this mess we need to move on!

Available Options

- There are no options!
- Year 2000 will take resources away from other projects.
- In most cases there are not enough resources to do Year 2000 and the normal list of IT projects.
- Unless you have Year 2000 projects completed. Lucky you....ask for a raise.

Recommendation

- The obvious: A good plan, the right people and resources and management support.
- It is no different than other major project with one exception: The end date is fixed!
- We meet and teleconference every week and have ad hoc discussion daily.
- Appoint a project leader...you may need more than one..Application, Desktop, OS

Recommendation

- Keep management informed.
- Discuss the legal issues with your attorney.
- Keep your employees informed.
- Talk with other companies in your community and other newspapers.
- Take nothing for granted !
- If all this fails I can tell you about a few remote islands we can all go to in December 1999.