What's next.

Essentials for Digital Success:
Insights from business leaders who have taken control of IT and created significantly more business value.

The 2013 IT-Enabled Leadership Report
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Methodology
The findings in this report are based on two principle sources of original data: survey data from 89 Chief Information Officers (CIOs) from ten European countries and in-depth interviews with 18 of Europe’s CIOs.

For the survey, the author developed the survey questions based on the seminal work of Weill and Worner (2009) studying how the roles of CIOs have changed. The survey instrument was designed in collaboration with Joe Peppard, Director of the Cranfield University, School of Management’s IT Leadership Programme. The brief survey asked participating CIOs to estimate what percentage of their time in 2012 they and their team spent across three general activities: Managing and innovating delivery of IT services; Managing and innovating business processes; and Improving and innovating products and services for external customers. In addition, participants were asked to estimate what percentage of the time spent on each of the three areas of activity involved working with colleagues from the rest of the business. Another set of questions asked them to anticipate what percentage of their time they would spend across the same categories three years from now – i.e., 2015. From April to May of 2013, CIONET country offices solicited members to participate in the brief survey. Over 110 member CIOs participated. The results were first cleaned (e.g., incomplete surveys were removed) and then analyzed in detail.

In addition to the survey data, the author conducted in-depth interviews with 18 CIOs. These CIOs were selected by CIONET Country Offices based on the winners of national awards for CIOs of the Year. Building on their survey responses, the author asked interview participants for examples of how they lead teams to achieve and sustain a significant range of accomplishments. Another set of questions was around what key skills are necessary to fulfill each type of activity effectively and how their organizations foster such skills.

Acknowledgements
This report was authored by Nils Olaya Fonstad, Associate Director of INSEAD eLab. This report and the research it is based on would not have been possible without the generous support of many people. The author greatly acknowledges the CIOs who took the time to complete the survey and especially the CIOs who took time from their busy schedules to be interviewed and their colleagues who helped review the profiles. Special thanks to Hendrik Deckers, Amandine Gatelier and Mieke Pauwels of CIONET, along with the many leaders of CIONET’s Country Offices. The author is grateful to have collaborated on the survey design with Joe Peppard, Director of the Cranfield University, School of Management’s IT Leadership Programme. The author also is grateful for the support of his colleagues at INSEAD eLab, Virginie Bongeot-Minet, Theodoros Evgeniou, Nina Laven, Martina Mettgenberg, Nurina Merdikawati, Aung Myint Thein, and Eduardo Rodriguez Montemayor as well as for Brian Henry for help in editing the profiles and Karel and his team at Echtgoed for designing the report.
Introduction

The business leaders featured in this report represent a new type of business leader – one who is increasingly essential to any organization’s success, especially as more of their operations, service and products are digitized.

IT-enabled leaders (alternatively referred to as e-leaders or digital leaders) represent a direct challenge to mediocre operations and customer experiences. Their accomplishments are a threat to those who treat their ICT department as simply an administrative function whose costs must be controlled. Having efficient and effective IT systems is fundamental to the success of any organization; however it is no longer a competitive differentiator. Organizations also need to have and foster IT-enabled leaders who can take control of the systems of technology, business process and data that organizations inevitably accumulate over time into digitized platforms, and transform them into digitized platforms that enable them to operate and innovate globally.

For a third year in a row, the research findings suggest that any organization that does not strive to have at least one of the three types of IT-enabled leaders who are featured in this report is failing to pursue important opportunities to create value and be competitive. To inspire organizations to make the most of their IT-enabled leaders, we wanted to share 18 recent success stories of how IT-enabled leaders are helping their organizations grow and strengthen in today’s challenging economy.

The report consists of the key findings from our analysis of two sources of data that we collected: survey data from CIOs and interviews with 18 of Europe’s most distinguished CIOs. The survey data show the extent by which CIOs and their IT Groups are engaged in several key activities beyond simply managing IT services. We identify three types of IT-enabled leaders, based on how CIOs spend their time: Technology-driven; Business process driven; and Client-driven. The 18 profiles illustrate how each type of leader provides distinct kinds of value to the organization. Technology-driven leaders ensure the organization is spending more on innovation and less on operations and maintenance; Business process-driven leaders help non-IT colleagues map, re-design and improve how things get done in the organization; and Client-driven leaders help extend their organization’s capacity to innovate with customers.

As organizations discover more ways to use IT to operate and create value, they will rely more and more on all three kinds of IT-enabled leaders.

We hope the findings from this report help governments and organizations foster all three types of IT-enabled leaders and inspire students to become the IT-enabled leaders of the future that enable their organizations to grow and strengthen in any challenging environment.

Nils Fonstad
Associate Director, INSEAD eLab

Hendrik Deckers
Managing Director, CIONET
Survey Results

CIOs and their IT departments are creating an impressive range of business value. This is reflected in business results (e.g., a range of accomplishments are described in listed in the profiles of CIOs following this section) as well as in how they spend their time.

Consistent with the past three years of surveying CIOs, and contrary to traditional perceptions of what CIOs do, our data show that CIOs spend a significant percentage of their time outside of managing IT services.

Most CIOs spend their time in the following three general areas of activity, helping to create the following type of business value:

- **A** Managing and innovating delivery of IT services.
- **B** Managing and innovating business processes.
- **C** Improving and innovating products and services for external customers.

We have identified three types of CIOs, depending on what general areas of activities they spend a greater than average percentage of their time in. Please note that in the majority of the cases, CIOs spend some percentage of their time in all three activities. The key distinction is in what activity they tend to focus on most, relative to their peers.

<table>
<thead>
<tr>
<th>1 Technology-driven</th>
<th>2 Business Process-driven</th>
<th>3 External Client-driven</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIOs and IT Groups that are primarily focused on ensuring that IT infrastructure, applications, and related services are delivered across the organization at the desired cost and service levels.</td>
<td>CIOs and IT Groups who spend a greater than average percentage of time managing and innovating business processes, such as shared services, global supply chain, and operations.</td>
<td>CIOs and IT Groups who spend a greater than average percentage of time improving and innovating products and services for external customers.</td>
</tr>
<tr>
<td><strong>B</strong> + <strong>C</strong> &lt; 50%</td>
<td><strong>B</strong> + <strong>C</strong> &gt;= 50% and <strong>B</strong> - <strong>C</strong> &gt; 0</td>
<td><strong>B</strong> + <strong>C</strong> &gt;= 50% and <strong>B</strong> - <strong>C</strong> &lt;= 0</td>
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Types of CIOs in 2013

Types of IT Groups in 2013

The two tables to the left summarize key survey results. Analysis of survey data reveals that last year, the most common type of CIO, representing 41 percent of participating CIOs, was business-process focused. Business-process focused CIOs are leaders who spend a significant percentage of their time with non-IT colleagues helping them to map, re-design and improve how things get done in the organization.

The most common type of IT Group, representing just over half (54 percent) of the participating firms, was Technology-driven. Technology-driven IT Groups spend a significant percentage of their time ensuring the organization is spending more on innovation and less on operations and maintenance.

These findings highlight the importance for CIOs and their IT Groups to have a vertical set of competences that represent expertise or “deep knowledge” in a specific area (e.g., science; engineering; IT; social sciences).

Analysis of survey data also reveals that on average, all three types of CIOs spend around 30 percent of their time engaging with colleagues from the rest of the business. The table below shows that all three types of CIOs spend time engaging with non-IT colleagues across all three general sets of activities. Nonetheless, CIOs of a specific type tend to spend a greater percentage of the total time spend with non-IT colleagues engaged in their corresponding area of activity. For example CIOs who are focused on external customers – on average, most of their time spent with colleagues from the rest of the business is extending their organization’s capacity to innovate with external customers.

These findings highlight the importance for CIOs and their IT Groups to have a horizontal set of “transversal competences,” such as negotiation; critical thinking; design and systems thinking, business and entrepreneurship. These competences are relevant across a variety of situations and enable them to collaborate effectively across multiple boundaries (e.g., organizational, geographic, occupational, etc.).
The Strategic Roles of IT-Enabled Leaders Are Dynamic

Over the next three years, the distribution of different types of CIOs is expected to change significantly, with a drop in the percentage of Technology-driven CIOs and an increase in the percentage of Business-Process CIOs and External Client-driven CIOs.

<table>
<thead>
<tr>
<th>Types of CIOs</th>
<th>Last year</th>
<th>Three Years from now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology-driven</td>
<td>3 (41%)</td>
<td>2 (51%)</td>
</tr>
<tr>
<td>Business Process-driven</td>
<td>1 (8%)</td>
<td>3 (41%)</td>
</tr>
<tr>
<td>External Client-driven</td>
<td>1 (18%)</td>
<td>1 (18%)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Types of IT Groups</th>
<th>Last year</th>
<th>Three Years from now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology-driven</td>
<td>3 (41%)</td>
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</tr>
</tbody>
</table>

1. Technology-driven
2. Business Process-driven
3. External Client-driven
Profiles of IT-Enabled Leaders

In this section, we present 18 profiles of CIOs who clearly illustrate how IT-enabled leaders are essential to the success of their organizations and how they are creating value for their customers and partners. Featured in the following profiles is an impressive range of business value created by the CIOs, their IT departments, and colleagues from the rest of their organizations. These profiles highlight the importance of fostering IT-enabled leaders for European organizations to succeed and compete in today’s global and digital economy.

Yves Baguet  
CIO of Clearstream (Client-driven)

Markus Bentele  
CIO and CKO of Rheinmetall AG (Business Process-driven)

Olivier Clos  
CIO of Ludendo (Business Process-driven)

Paul Danneels  
CIO of VDAB (Client-driven)

Antoine de Kerviler  
CIO of Corsair International (Business Process-driven)

Bassim Haj  
CIO of Yara International (Business Process-driven)

Thomas Henkel  
CIO of Amer Sports Corporation (Business Process-driven)

Aloys Kregting  
CIO of Royal DSM N.V. (Business Process-driven)

Bernard Lhermitte  
Head of IT of ING Luxembourg (Technology-driven)

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CIO of Sonae (Technology-driven)

Andrew Marks  
CIO of Tullow Oil plc (Business Process-driven)

Mike McGrail  
Director of Organisational Development of Spil Games (Business Process-driven)

José Olalla  
CIO of BBVA (Technology-driven)

Gerry Pennell  
CIO of the London Organising Committee for the Olympic and Paralympic Games (Client-driven)

Joaquin Reyes Vallejo  
CIO of CEPSA (Technology-driven)

Matteo Veneziani  
CIO for Expo Milano 2015 spa (Client-driven)

Luc Verbist  
CIO of De Persgroep (Technology-driven)

Marco Zanussi  
CIO of Gruppo Mossi & Ghisolfi (M&G Group) (Business Process-driven)
Clearstream

A market leader in the financial services industry, Clearstream is a European supplier of post-trading services as well as investment funds services, issuance and asset services. It strives to serve as a fast, secure and trusted third-party to ensure that cash and securities are promptly and effectively delivered between trading parties – no matter the complexity, speed and quantity of assets involved. Clearstream has built strong relationships with around 2,500 clients in over 110 countries. With a global network extending across 50 markets, Clearstream settles hundreds of thousands transactions every day and millions per month. In March 2013, for example, it processed 3.4 million international settlement transactions.

Examples of IT-enabled leadership-in-action

So integral is ICT to the success of Clearstream that about a third of the company’s headcount are ICT employees. It is no wonder that Yves Baguet, who became CIO of Clearstream in 2000, has always made it one of his top priorities to eliminate distinctions between people who work in ICT and those who work in other parts of the business. It’s a twofold mission, making sure ICT staff are business-savvy and business managers are ICT-savvy. To make it happen, key employees are rotated between ICT and non-ICT positions throughout Clearstream.

Baguet follows the same logic when engaging with customers and as the official representative of the Luxembourg Financial Community on the Board of SWIFT, the financial messaging provider. “When I talk with external customers or to SWIFT Board members, I do not want them to know whether I am from the ICT department or not based on what I discuss with them.”

According to Baguet, the right ICT governance model and a business-sensible enterprise architecture will foster early and frequent engagement between ICT and the rest of the business. In so doing, ICT can identify and raise awareness of the systems of interdependencies between technology, business processes, and data within the organization.

“Rather than a bureaucratic exercise, ICT governance is an opportunity for ICT and the rest of the business to engage and collaborate.”

Baguet and his team have continued to create significant value for Clearstream Strong because of this alignment between ICT and the rest of the business. In 2012, as Clearstream was bringing its previous five-year strategic plan to an end, Baguet and his team worked with the rest of the business to introduce new products in the investment funds services industry, in custody and in collateral management. Given the financial crisis that plagued that period, clients were especially grateful for tools and solutions that improved risk management support.

Going back to the end of 2011, Baguet and the rest of Clearstream’s Executive Team had begun to work on defining the company’s business strategy for its current 2013-2018 plan. Their main objective was to address a significant change taking place throughout the financial services sector, the introduction of what is known as TARGET2-Securities (T2S). Scheduled to go live by June 2015, T2S is a major project overseen by the European Central Bank to stimulate the integration of the securities post-trading infrastructure in Europe. Currently, the settlement of securities transactions in Europe takes place on multiple platforms and is fragmented along national borders. As a result, settlement across countries can be complicated and what’s more costly. In contrast, T2S will provide a single harmonized venue where virtually all heavily traded securities circulating in Europe can be settled in central bank money.

T2S is already imposing constraints that are eliminating some sources of revenue, increasing competition, and leading to new business models. Baguet and his team have been working closely with the rest of the business to help Clearstream become the best collateral manager in a post-T2S world. According to Baguet, this means offering custody services that support new strategies.

To this end, one of Baguet’s first projects was to introduce an open systems architecture that enables the company to concentrate its collateral management services on a unique platform accessible to all customers, whatever their location. Over time, this digital platform has enabled Clearstream customers to benefit from managing collateral in a unified manner, without having to move the assets and therefore avoid the costs associated with these unnecessary movements.

Clearstream’s ICT department has done so well providing services internally that it now provides ICT services to other firms in the finance-services sector. Clearstream Services IT, which is Clearstream’s 100 percent incorporated IT subsidiary, builds and runs its commercial technologies and offers IT Hosting and Managing Services, as well as Software as a Service (SaaS) solutions, to financial institutions. Through more than 6,000 network connections in 26 countries, Clearstream Services IT connects and runs the IT systems for its customers from all over the world and on a 24x7x365 basis.

“As the CIO, I’m proud to say that we have already received several awards for the new business that we launched and that it is just the start of an exciting adventure!”

A selection of recent accomplishments

- ICT was integral in strengthening collateral management as a strategic service offered by the company, transforming Clearstream into the leading collateral manager within the industry;
- ICT has been credited with improving Clearstream’s services thus enabling the firm to see revenue growth from new customers of €60 million and liquidity (securities managed by the company) growth of 15 percent; and
- ICT has done such a remarkable job in improving internal services that it now provides critical services externally through the company’s wholly-owned subsidiary Clearstream Services IT.

Generating new sources of revenue from a robust digital platform
Rheinmetall AG

With annual sales of around €4.7 billion in 2012, Rheinmetall AG is a successful player in two key markets: automotive components where it manufactures pistons, mechatronics and motor services; and defense equipment where it produces combat systems, air defense systems and wheeled vehicles. The company has an extensive global presence: 72 percent of its sales are completed outside of Germany and almost half of its roughly 21,700 employees are located outside of Germany. To operate competitively on such a global scale, Rheinmetall relies on its ICT Group to enable collaboration for business process excellence and innovation.

Markus Bentele, who earned a Master’s degree in economics and studied organizational psychology, was named Rheinmetall’s Chief Knowledge Officer in 2003. At that time, the ICT Organization decided to focus its attention on its core competences. These were business process management and more broadly, on helping the business create value with ICT. At the same time, it was decided to outsource all non-core ICT delivery activities. In line with this sharper focus, Bentele was named Corporate Chief Information Officer in 2005.

Today, the ICT Organization employs a total of 425 full-time employees. About 150 FTEs work for the internal organization while the remaining 275 FTEs are external, and these employees are located around the world, with just over a quarter of them based in Germany.

Bentele and his team support all the ICT-related needs of 114 business units worldwide. About half of the internal IT Organization consists of Business Alignment Managers who are focused on engaging with the rest of the business on demand management and business process improvement. The other half of the internal organization is focused on more technical issues, such as enterprise architecture, translating business needs into technical specifications, and managing external service providers. More than 50 percent of total IT budget is spent on external service providers who are responsible for a broad set of ICT services.

“We do not simply have the responsibilities of a CIO, where we simply handle information; we have the responsibilities of a CIPO – a Chief Information and Process Officer. As a result, the IT Organization engages on a daily basis with the rest of the business, using their language and exploring ways ICT can address the challenges that matter most to them.”

Bentele and his ICT team have succeeded in fostering greater collaboration and knowledge sharing across the various business units, such as best practice sharing across project teams. He highlights three critical success factors:

First, the ICT team introduced a large collection of unified communication and collaboration tools all at once, rather than conducting pilot tests or introducing individual tools incrementally. For example, on one project, all of the tools were introduced at six in the morning. In so doing, the staff were able to draw at will on any of these tools, depending on their interest and comfort levels, during their working day. In addition, the ICT team provided staff with examples of how others were using technologies from the suite of Enterprise 2.0 and how they achieved their business objectives. The team did not require staff to use a particular suite of technologies nor did they provide training on any particular technology. This approach enabled individuals to decide for themselves what technologies to use and how to use them. Second, no one participated in this exercise anonymously. This lack of anonymity has been credited for a problem-free introduction of the suite of unified communication and collaboration tools.

Third, employees were given time to learn for themselves how to use the tools. The result has been a new “Workplace” without limitations on time, place and heterogeneous ICT-Infrastructure. It has fostered a greater collaboration (Social Business) between different generations of employees, resulting in an important cultural shift. Employees are more engaged and motivated, while the use of collaboration tools is helping to attract younger talent.

Said Bentele referring to the gains in inter-generational collaboration: “We did not set out to train employees to work across different generations. We offered them the tools. And rather than tell them that they must use a specific tool, we engage with them, listen to them describing their business challenges and offer to help them. The challenge is not how to create bridges across generations. Rather, the challenge is how to help them to understand their business problems and how the tools may help them improve performance. If one employee is 30-years-old and another is 60-years-old, both will collaborate when they share the same challenge.”

Today more than half of all employees at Rheinmetall use ICT to collaborate as a result of this new approach. Moreover, most employees cannot imagine how they could have improved their productively without the role that ICT has played in the organization.

In fact, the results of having greater collaboration and knowledge-sharing tools have been positive. In addition to lower communication and travel costs, the organization has seen a noticeable improvement in work performance of individual contributors. Furthermore, the performance and competitive positioning of the organization has dramatically improved, reflected in time reduction, higher throughput, better idea and innovation management, and faster decision-making.

Markus Bentele
CIO and CKO of Rheinmetall AG
Olivier Clos
CIO of Ludendo

Ludendo

Founded in 1977 in Paris, France by the Grunberg family, Ludendo Group is a toy and gifts company administrating six major brands in Europe. The main brand of Ludendo is La Grande Récré. Others include (in alphabetic order) Diverdrak, Hamleys, Franz Carl Weber, RUDELAFETE.COM and Starjouet. In 2012 Ludendo Group generated €600 million in turnover, employed 2500 people, and managed 450 sales outlets with a 400 to 4500 M2 range capacity.

Examples of IT-enabled leadership-in-action

Olivier Clos joined Ludendo as its CIO in 2008. He didn’t realize how important it would be to make sure every child got a toy on Christmas Day. But his story is no different than any other a CIO must face. Between 2008 and 2011, Clos succeeded in introducing an organized and efficient ICT Group dedicated to La Grande Récré. It was the first of the Group’s six brands to have its own ICT department and was intended to serve as a role model for the other brands. In late 2012, the executive committee decided to spread this model to the six other brands of the Group. At the moment, the ICT Group consists of 22 FTEs who work for all brands within the Ludendo Group.

To remove any boundaries between ICT and the rest of the business, Clos has introduced several opportunities for regular and frequent engagements. For example, every three months Clos convenes an ICT Committee meeting, where he and the rest of the senior management team review all key projects underway. This is an important opportunity for the team to develop a view of the project portfolio, rather than simply those projects most relevant to their function or unit. In addition, every two weeks, business partners who are part of the ICT team meet with key users.

A fundamental contribution of Clos and his team has been to encourage the rest of the business to adopt new technologies to increase productivity. Before Clos arrived, for example, product managers within the purchasing department were forced to manage toy product selection and replenishment for stores without any automatic replenishment tools. At that time, product managers knew of no technology that could do the tricky job. To accomplish toy product selection and replenishment, a team of 15 people checked sales and inventory levels for every product, day-by-day, shop by shop. They then placed orders to suppliers for store replenishment. This process consumed the labor of the 15 employees for seven hours a day from January to October, and 11 hours a day in November and December, the busiest months. Despite this heroic effort, most product managers did not have enough time to select the right toys effectively.

In January 2012, Clos was asked to see what he could do about replenishment. First, he brought together into a new single entity the ICT department, the organization department and supply chain department. For six months, a team of people from the new department collaborated on re-designing and using ICT to improve the replenishment process. The team divided their work into three parts: ICT managers developed the software tool; supply chain managers re-designed the process and managed changes with head office and the outlets; while the organization managers took a coaching role in getting the buy-in from top management.

In the end, the 15 members of staff who had been involved in inventory and replenishment were split into two new groups, each dedicated to a single task. Five became responsible solely for store replenishment and were moved to supply chain, while the remainder took responsibility solely for managing the toy product selection and stayed in purchasing.

The results were significant. The number of hours needed to replenish the stores was reduced to two hours from January to October, and four hours in November and December, down from seven and 11, respectively. In addition, the number or person/day per year decreased from 1,380 to 140. Moreover, operational efficiencies were estimated to have saved the Group €2 million.

Most exciting, during the Christmas period, Ludendo avoided stock-outs, which had plagued the Group for years. With sufficient inventories on hand, the Group’s retail outlets were able to satisfy the huge increase in seasonal demand and as a result saw an estimated increase in sales of €500,000 and greater customer satisfaction.

Going forward, Clos and his team will continue to lead projects that leverage ICT to create significant business value – both within and across the Group’s businesses. It has now become a tradition to name each ICT project after a children's movie or toy. This reflects the enthusiasm of the team for collaborating with the rest of the business to make a real difference.

“The ICT Team works closely with each of the brands to help them operate better while respecting their distinct cultures. At the same time, the ICT team is helping the brands learn from each other and develop a stronger sense of belonging to a group.”

A selection of recent accomplishments

- Introduced project management discipline across the organization;
- Led a multi-disciplinary team to significantly improve stock inventory and replenishment processes in six months;
- The improvements were significant:
  - €2 million in estimated cost savings and €500,000 in extra sales because key products were available during peak season; and
  - Significantly increased employee productivity. The number of person per day per year spent on these processes decreased from 1,380 to 140.

Bridging boundaries to help more customers get the toys and gifts they want.
Since 1989, VDAB (Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding) has served as the public employment service for the Flemish region of Belgium, providing employment services, vocational training and career guidance. In 2010, it launched a significant new strategy to transform itself from “a service provider for mandatorily-registered job seekers” to “a conductor, orchestrating a community of voluntary participants.” Since then, VDAB has become a key information hub in the labor market.

Examples of IT-enabled leadership-in-action

Paul Danneels has been CIO for VDAB for the past five years, during which time VDAB has transformed itself and now serves nearly 10 times the number of people than the organization previously served. VDAB went from being “a service provider for mandatorily-registered job seekers” of approximately 450,000 job seekers a year, to becoming “a conductor, orchestrating a community of voluntary participants,” consisting of approximately four and a half million citizens of working age in Flanders.

For 80 percent of the stakeholders that take advantage of its services, VDAB serves as an information hub, providing them with a set of self-services where people can enter information, assess their competences, find promising opportunities, and engage with firms seeking to hire talent. The IT Group has been critical in developing these services. As Danneels explains to the Board, “fundamentally, VDAB is an information company that helps match job seekers with vacancies.”

In addition, the IT Group has introduced a second, more innovative and experimental stream using a Google platform. Needing business sponsorship as a prerequisite, all projects must also obtain backing from business groups that are willing to pilot them. Projects are then developed in two-to-three weeks outside of the traditional process. This enables them to realize functional needs very quickly, however in a non-integrated manner.

As Danneels explained, “we ask the integration questions later.” For example, the ICT Group developed an online calendar program in just two weeks. The ICT Group then found a business group to pilot the calendar application before rolling it out to the entire organization. For the moment, however, the ICT Group has decided not to integrate the calendar application into the VDAB case management platform, as the team is still learning what works and what doesn’t work in the application. If applications prove to be worthwhile, the ICT Group will integrate them later on. However they do not want to lose the speed, flexibility, and learning from developing non-integrated solutions.

This dual approach enables the IT Group to meet urgent needs of the business with rapidly developed applications. Once these rapid solutions are developed and put into use, they provide the architecture team with important opportunities to learn how the IT Group can best support the evolving demands of the organization. With each newly developed function, the architecture team evaluates what is working and what is not working. In 50 percent of the cases, the results are presented to the Business Board to discuss emerging trends and how to best support them. They also discuss the pros and cons of integrating a solution into the core digital platform of VDAB.

Since the launch of the new strategy in 2010, VDAB has been developing applications that represent significant changes to the way VDAB operated traditionally. Most involve important business changes that require the full support of the Business Board to be fully realized. For example, the online scheduling function took only two weeks to develop, however to be fully realized, required changing the process and people that were traditionally involved in scheduling appointments. When the Board agrees to integrate a function, the integration process follows the more traditional development process. Since the Google platform was introduced in early 2011, 2-3 new functions are discussed at the Business Board, held every two months. This is a clear indication of the pace of change enabled by Danneels and his team.

Transforming operations so that more people find better jobs

As Danneels explains to the Board, “It is helping the rest of the organization to think of news ways of working and collaborating that they had not thought of before.”

A selection of recent accomplishments

- Replaced the traditional “call for an appointment” approach with a process whereby VDAB consultants publish their free slots on a website and citizens can view and book appointments online. These become synchronized with the agendas of the counselors, job seekers, and team leaders;
- Online job application coaching and document sharing features enable job seekers to discuss and improve CV documents together with consultants in real-time;
- Launch of the organization’s MyCareer portal with a competence based portfolio; and
- More job seekers have been hired and customer satisfaction ratings increased as a result of more efficient access to VDAB consultants, better service, and better interactions with customers.

Going forward, Danneels and his colleagues are exploring ways ICT can open up the public data and matching services to external stakeholders so that they can build own services for the labor market. In addition, they are exploring the possibility of developing a separate company in collaboration with the interim sector, including placement agencies, as a public-private partnership, where training content is developed more appropriately to better help address skills gaps.
Antoine de Kerviler
CIO of Corsair International

Corsair International
Corsair International is currently the second largest airline based in France and operates international scheduled and charter services to 15 destinations in the French overseas territories, Africa and North America. Each year, almost 1,300,000 passengers travel across the world on Corsair flights. In 2013, the company completed an ambitious program to renew its fleet and services. This included reconfiguring aircraft with a new entertainment system and introducing and enhanced loyalty scheme and new e-services.

Examples of IT-enabled leadership-in-action
Antoine de Kerviler has been CIO of Corsair International for only two years, but in that time he and his team of six have already helped create significant business value for the company. The ICT group has been instrumental to the process of transforming Corsair from a charter airline with a few business clients into a scheduled carrier with thousands of demanding customers. They also helped introduce a Customer Relations Management system to integrate 17 very fragmented customer databases and into a single, secure and consistent customer experience.

Until the end of 2010, Corsair was operating 17 very fragmented customer databases. Although there were data about the same customer in more than one database, there was no common link to identify the same customer across different databases. As a result, depending on their point of contact, Corsair’s customers had access to different and not necessarily consistent information. Finally, a data protection audit conducted by French government revealed there were as many as 30 areas where Corsair was not complying with privacy laws. Corsair had no choice but to fix the uncoordinated data that it had been accumulating.

The ICT group, in collaboration with the Sales & Marketing group, selected Salesforce as Corsair’s CRM platform. Within a year after the audit, Corsair had migrated all of its data and 150,000 customer accounts onto Salesforce. By August 2012, all 17 data sources were cleaned, de-duplicated and migrated enabling Corsair to develop a comprehensive 360-degree view of its customer. Today, all of Corsair’s stations (French Antilles, Western Africa, Indian Ocean) have the CRM system, as well as an outsourced call center. In mid-February 2013, the CRM platform was extended to all sales associates, enabling them to use iPads during sales calls and access data on the travel agents or corporate customers they are with.

The e-Papyrus project is another example of how De Kerviler and his team worked with the rest of the business to create a digitized platform from which key operations could be performed more effectively and efficiently. E-Papyrus improved the process of reporting incidents related to aircraft operations and maintenance (“on-board reporting”) across a variety of stakeholder groups.

Sylvain Bosc, Corsair’s Chief Commercial Officer, presented the issue to De Kerviler during one of the first meetings. “Our reporting system is 100 percent paper based. It takes us a minimum of three weeks before any issue can be taken into account by our quality management team. This is intolerable for a small company like us,” CCO Bosc said.

De Kerviler and his team quickly went to work developing a solution to digitize the reporting process. Working closely with end-users, they re-defined the corresponding operational process and equipped end users with comfortable and useful devices. Adopting agile methods, they started with a very small development team and three cabin crew champions. A few weeks in the process, they had their first very basic application. Programmers flew on many occasions to test the application in real life, and regularly adapted the solutions as they received feedback from the cabin crew.

Development started in October 2011. In May 2012, the paper report was decommissioned. Now, an event lands in the case management tool in 1.8 days on average (down from more than 20 days) and is closed within 10 days (down from several months). Said CCO Bosc: “Now, with our e-Papyrus iPad based system, it takes us literally minutes for a reported problem to be dealt with. Issues are better identified and normalized than on the paper based system and our overall quality level has soared. Providers know that we are monitoring them in real time. Cabin crew pride and confidence in their company has risen, and client satisfaction has risen accordingly.”

In September 2012, the reporting system was extended to pilots to report on services delivered to the aircraft, such as towing and fuel deliveries. The company no longer uses or processes paper reports. Several airlines have approached Corsair to enquire about buying e-Papyrus as a software package or as a service.

“Our best and most motivated sales people are our cabin crew who take every opportunity to demonstrate the tool that we helped develop to their colleagues from other airlines.”

A selection of recent accomplishments
- Has been essential to the company's successful transformation from a charter airline into a scheduled carrier;
- Introduced a Customer Relations Management system to integrate 17 traditionally disparate customer databases into a secure and consistent customer experience; and
- Ensured that Corsair is compliant with regulations regarding data security.

Enabling the company and its customers to soar to new heights.
Yara International

Yara International is a global diversified agro-chemical company headquartered in Norway, employing more than 8,000 people in 50 countries. Ranked #1 in the world for fertilizer, Yara offers one of the most comprehensive ranges of fertilizers in the industry, starting from single nutrient fertilizers up to complex compounds and micro-nutrients for feeding plants. The majority of its products are commodities sold into highly fragmented market, whereby Yara only has seven percent of the market share.

Examples of IT-enabled leadership-in-action

When Bassim Haj became CIO of Yara, the ICT department did not have a good reputation with the rest of the business. The senior management team had become so frustrated with ICT that they wanted to hand it off completely to an external service provider. In a period of three years, Haj and his team transformed the ICT department into a strategic asset for the company which is now responsible for improving an increasing range of operational processes.

It all started in March 2008, when a new process-oriented CEO joined Yara. Two years later, the CEO hired Haj as the firm’s CIO, and he immediately launched a full assessment of the IT area to ensure it was aligned with the company’s strategic vision. The initiative involved key stakeholders around the Yara organization, with a core team consisting of selected talent from the ICT organization. One of his priorities was to mobilize the right people to ensure a common understanding of the group’s challenges and the need for change. Haj recalled, “my experience from turnaround projects was that people-aspects, such as mindset and motivation, must be given careful attention from the start if we want to succeed.”

In parallel, Haj spent his first year improving ICT’s service levels, primarily by renegotiating contracts with external service providers and moving from a single external service provider to several providers. Changes such as these saved Yara almost €19 million per year in ICT costs.

According to Haj, the real value of ICT is from the data it generates. “We are a chemical company. IT is not necessarily our product. Most of the industry spends 1.4 percent of their revenue on IT. The emphasis is on information: order fulfillment; logistics management; insights on markets, products, and customers; getting better things faster to our customers; and now, developing new services for our farmers.”

According to Haj, external providers can provide better ICT services than Yara in most areas. Yara’s internal ICT group, however, can provide significant value in business process management and improvement, including putting the right processes in place, setting the right key performance indicators, and establishing the right governance. Together, these lead to better information and information management. In addition, employees have better access to information and have better decision-making capabilities, resulting in more reliable commitments to deliveries.

A key process that Haj and his team helped improve was a procurement process called “Purchase-to-Pay”. The process currently involves around €9 billion worth of procurements annually. In a short period of less than nine months, the equivalent of 1.5 FTEs from IT worked with internal procurement specialists. The key role of IT was to help create visibility across Yara’s multiple business units, map interdependencies, understand how different units operate and identify and pursue the most strategic synergies. With a greater and more accurate view across the procurement landscape, Yara’s procurement team improved purchases, reduced the number of suppliers, negotiated better rates, and prioritized their time on the categories that made the most sense.

Now that ICT services and key business processes are under greater control, Haj and his team have turned their attention to working with the rest of business on improving the post-merger integration process. They are developing a “playbook” with the goal of reducing interim integration measures from six months to four weeks. Such capabilities are critical to the future of Yara. The firm announced it will grow the business 50 percent – mostly through acquisitions and building new plants. They are now getting ready to integrate the most recent acquisition, a Brazilian firm consisting of 1,200 employees in sales and distribution. Their “playbook” is intended to help them integrate this acquisition and others like it more effectively and efficiently.

“IT is in a perfect position to provide significant business value by helping the organization develop stronger business process capabilities.”

A selection of recent accomplishments

- Improved ICT service levels and saved almost €19 million per year in IT costs by renegotiating contracts with external service provider and expanding sourcing to multiple providers.
- Increased efficiency and effectiveness of key business process such as:
  - Plant Maintenance Process – reduced working capital on spare parts and improved maintenance;
  - Order to Cash – reduced back office function by 20 percent, reduced payment terms and improved account receivables; and
  - Purchase To Pay – reduced costs by 10 percent and improved category management.
- Enhanced Post Merger Integrations by introducing greater process discipline and helping to develop a general post-merger integration playbook.
Amer Sports Corporation

Amer Sports is one of the leading sporting goods companies in the world. It offers technically-advanced sports equipment, footwear, apparel and accessories and includes such brands as Salomon, Wilson, Atomic, and Precor. Through a sales network covering 33 countries, Amer Sports sells its products to trade customers, such as sporting goods chains, specialty retailers, and fitness clubs, and also directly to consumers through brand stores, factory outlets, and online.

Harmonized four core processes (global planning, sourcing, order-to-cash and financial), as well as all global master data on customers, products, vendors and global key performance indicators across five divisions in 27 countries;

Integrated ICT infrastructure and applications of a small acquisition in less than four months; and

Recent accomplishments credited with saving €12 million in operational costs and generating €32 million in revenue.

Examples of IT-enabled leadership-in-action

Thomas Henkel, who has been the CIO of Amer Sport since about 2006, leads a globally distributed team of just over 200 ICT staff to achieve cost savings and generate revenue by harmonizing key business processes and data. The focus on solutions is evident even in the name of his team. As Henkel explains, ‘Rather than ICT, where T refers to Technology, we are ICS, where S refers to Solutions.’ Although the group’s headquarters is in Helsinki, the ICS organization, which is responsible for all information and communications solutions, is globally distributed, with teams in Vancouver, Seattle, Chicago, Annecy, Munich and Shanghai.

In June 2012, three businesses in the USA were migrated from their ICS systems to a globally shared Global ONE process platform without any disruption to service. The project was delivered on time, within scope, and below cost. As a result of this platform change, the delivery performance towards their customers increased by 12 percent and operational costs decreased by 19 percent. These performance gains were mainly driven by the capability to deliver directly to customers while bypassing distribution centers. In addition, a much higher order automation rate was achieved because of the usage of salesforce automation, e-commerce self-service and EDI.

About 220 FTEs distributed around the globe, including Mavic, Bonfire, Arc'teryx, and Cliché. The acquisition expanded Amer Sports businesses into the outdoor market and opened completely new market areas of bicycle components and technical clothing.

As part of the post-acquisition integration, the executive team decided to launch a massive business process and data standardization and integration project, called Global ONE, across five divisions in 27 countries. The project succeeded in harmonizing four core processes—global planning, sourcing, order-to-cash and financial—as well as all global master data on customers, products, vendors and global key performance indicators.

One of the benefits of having standardized global key performance indicators was that the ICS team could clearly demonstrate the value they help create in terms of business process performance. These improvements have not only helped Amer Sports save approximately 14 percent in operational costs, but have also helped the company to improve customer service, which resulted in higher customer satisfaction and increased sales.

According to Henkel, a critical success factor for sustaining and building on these improvements is that the ICS team has acquired a strong and enthusiastic understanding of the rest of the business. ‘They are incredibly eager to learn how the business operates. In some business areas, they understand the processes better than some of their counter-parts.’ This is often the result of having taken extroverted people who started in another part of the business, bringing them into the ICS group, and then developing their ICT expertise. As a result, members of the ICS team are regularly invited to key strategic meetings. Henkel also suspects it also helps that most of the members of the ICS team, now consisting of about 220 FTEs distributed around the globe, are active in a variety of sports.

In 2012, the delivery performance towards customers increased by 12 percent and operational costs decreased by 19 percent. These performance gains were mainly driven by the capability to deliver directly to customers while bypassing distribution centers. In addition, a much higher order automation rate was achieved because of the usage of salesforce automation, e-commerce self-service and EDI.

Focusing on solutions rather than simply technology.
Aloys Kregting  
CIO of Royal DSM

Royal DSM

Royal DSM (DSM) is a leading life sciences and materials sciences company that is active in health, nutrition and materials. DSM has a strong global market position, with about 38 percent of its total sales of €9.1 billion coming from high growth economies. DSM has a decentralized organizational structure built around four divisions that are empowered to carry out all business functions: Nutrition, Pharma, Performance Materials and Polymer Intermediates. DSM’s ICT department (DICT) is a service shared across the business areas.

Examples of IT-enabled leadership-in-action

DSM strives to ensure that business groups respond efficiently and quickly to market changes. To support agility, DSM has developed a growing set of shared services called DSM Business Services (DBS), which are under the responsibility of Aloys Kregting, who has been the CIO of DSM for more than five years. Kregting is head of the ICT department consisting of 425 internal FTEs and 475 external FTEs, and he also serves as the head of Financial Shared Services (500 FTEs), HR Shared Services (50 FTEs) and a new shared service called Master Data Management Shared Services (10 FTEs).

Kregting developed a one-page framework called the Information Pyramid, which shows how investments in ICT can be related to broader organizational aspects, such as the company’s governance, people and organization, reporting and master data, and business processes. By relating these aspects in a one-page framework, he and his team guide discussions on whether a business process, such as procurement, is sufficiently common across business units so that the process can become a shared service, or whether it should remain specific to a business unit.

Kregting and his team have also broadened discussions about the role of ICT. Previously, ICT costs were considered in isolation of other costs, but now they have turned discussions of ICT around operational costs. Using the framework, Kregting explains: “ICT costs account for less than 2 percent of total expenses. I am OK with discussing how to optimize that 2 percent, but I also want to help optimize the other 98 percent. We can gain more taking a 100 percent approach than a 2 percent approach.”

The one-page framework also clarifies who is accountable for the different kinds of processes. Global Process Owners are promoting global synergies and responsible for shared services, whereas Functional Leader Teams are responsible for specific processes within business units.

Every quarter, Global Processes Owners meet with Functional Leader Teams. Kregting and his team use the framework to “listen to the appetite of a business unit” for converting a business process that they control into one that is a shared service.

When a business unit complains to Kregting that ICT costs are too expensive, he first agrees with the unit but then, using the framework, explains to the unit how the ICT costs relate to the business processes and why they are so expensive. Kregting strives to foster a discussion with the business unit where together they explore different scenarios, such as what would happen to costs if an expensive process became a shared service.

Using the framework, Kregting and his team demonstrated to the various finance functions within the business units that having a shared service would reduce operational costs while improving services. Kregting convinced the units to “hand over their keys” and have him become responsible for Financial Shared Services. Now, a Global Process Owner is responsible for defining what services will be shared and at what service levels, while Kregting and his team are responsible for how those services are provisioned at the requested service levels. By taking responsibilities of several shared services, Kregting and his team have discovered several cross-functional synergies.

Together with HR and the Communications team, Kregting has created an environment where cultural differences among employees can be harnessed to drive the knowledge management forward. “We ask everybody to take cultural awareness training sessions, so that people learn to appreciate their differences. If you can add the strengths of one culture to the weaknesses of another culture, then together we can become stronger.”

Kregting is confident that his collaborative approach will result in the ICT department becoming better at sharing knowledge. Said Kregting, “DSM is growing, changing and this means more data production and information production. By anticipating organizational change and growth, the ICT department will be able to sustain DSM’s future growth.”

“For ICT to create value, you need daring leadership. You need IT leaders who can come up with services that the business groups would not even ask for.”

Helping business units focus on what they do best.

A selection of recent accomplishments

- Reduced operational costs by putting into practice a framework he developed to ensure the business aligned ICT systems with the company’s governance, people and organization, reporting and master data, and business processes;
- Expanded shared services from ICT to Financial Services, HR and Master Data Management; and
- Transformed the way work is accomplished through a program titled New Way of Working. Benefits ranged from better connected employees, to a travel reduction of 35 percent, floor space reduction of 30 percent, fewer CO2 emissions, and flexible working hours.
Examples of IT-enabled leadership-in-action

Bernard Lhermitte, CIO of ING Luxembourg for the past five years, credits his team’s engagement and integration with the rest of the business as a key reason why the company has created so much value from ICT.

As a result of a deep understanding of the company’s needs and strategy, his team can propose solutions that meet immediate business needs as well as longer-term strategic objectives. The key building blocks of the IT strategy are Customer Centricity, Operational Excellence and Top Employer.

To sustain strong alignment between ICT and the rest of the business, Lhermitte and his team follow a governance model that encourages early engagement and strong cooperation among key stakeholder groups throughout critical stages of the process of building solutions to business needs – from defining priorities, to managing portfolios of project, to reviewing projects after they have been implemented. In addition, as a custodian of the company’s innovations, the ICT department relies on the ICT governance model to promote innovation with discipline and avoid as early as possible investing in “fausses bonnes idées” (false good ideas).

To facilitate discussions between ICT and other departments, Lhermitte has built an ICT department that fosters talent with strong business competences and domain expertise. Because of the high reliance of financial services on ICT applications and systems, some members of the ICT team are more capable of describing and formalizing business processes than employees within the business itself. Lhermitte tends to hire people with strong ICT expertise even though his goal is to ensure that most of his team members have strong business function competences. He develops their functional expertise using a variety of methods, such as asking newly hired ICT employees to complete instructor-led business courses, to join project teams which have experienced professionals so that mentoring can take place, and to spend time working in different areas of the bank to broaden experience. This leadership and development approach helps team members develop a global view of how technology, business processes and data from different units within the company relate to each other.

Lhermitte and his ICT team have developed a strong track record in following key areas: ICT strategy, business and ICT alignment, budget optimization, project portfolio coordination, project governance and people management. Although part of a larger global organization, the ICT department enjoys a large degree of autonomy, combined with opportunities of synergy with other entities in the ING Group. For example, they developed a suite of mobile banking applications that was coordinated with another unit within ING, enabling greater economies of scale.

In pursuit of enhancing the customer experience, the ICT department has developed multi-channel solutions that enable customers to access services from multiple devices, such as iPads, smartphones and computers. As the ICT department increasingly develops services for the bank’s customers (rather than for simply for the bank itself), the pressure has increased to have zero errors in their services. When users are customers, they can provide immediate and publically available feedback to the app stores and social networks. In addition, the ICT department uses metrics such as “first-time-right” to help increase the quality of solutions available to customers. ICT staff also participate in on-the-job training, including spending time in the branches, to develop commercial and communication sensibilities.

The efforts of Lhermitte and his ICT department have not only paid off for the bank but have also received recognition from his peers. Last year, Lhermitte was awarded “CIO of the Year”, while his team won the prestigious “ICT Department of the Year” award at the 2012 Luxembourg ICT Awards. Going forward, Lhermitte and his team will continue to be key stakeholders in the business transformation process of ING Luxembourg.

“IT is all about people, I am proud of the high level of engagement of my team. This engagement is visible on the ground, day to day, and the results are reflected the global annual ING engagement survey: the ING Luxembourg IT team has reached one of the highest levels of any group in the global organization.”
Savings of more than €400,000 by improving project prioritization;
- Faster implementation of projects, enabling the organization to generate more revenue more quickly;
- Reduction of time to develop a new service by 30 percent; and
- Execution of more than 80 additional projects per year as a result of operational savings and improved prioritization.

**Examples of IT-enabled leadership-in-action**

Artur Loureiro has been a member of the Sonae top executive team for more than 20 years, including 12 years in which he served as CIO and executive board member of Optimus, the group’s telecommunications company. Throughout his long career, Loureiro has been under continuous pressure to do more things with less resources. These pressures have been especially pronounced ever since Loureiro became CIO of the retail division two years ago, during which time Portugal has entered a period of tough austerity.

Given the diversity of business units within retail, each with different budgets and timing needs, managing priorities across all of them requires a global and strategic view. Loureiro has developed a rigorous approach to human resource management and financial accounting while undertaking a cost/benefit analysis of all the retail units, many of which are expanding globally. Against a background of slow domestic growth, the rapid international expansion has introduced additional challenges to portfolio management.

Loureiro and his ICT team have worked closely with the rest of the business to enhance data mobility across all the retail units to enable a broad set of operations and services. Today’s store managers can access point of sales (POS) data by category and by store, data which is updated every two hours and viewable from smartphones, tablets and computers. At the same time, customers are being offered access to a greater variety of self-checkout services. Meanwhile the POS data is completely integrated with the ICT logistics system so that inventory management and replenishment are fully automated. By focusing on supply chain management, Loureiro has improved employee productivity and reduced levels of inventory stock held in stores. In so doing, Loureiro has freed up more retail space for selling items rather than storing them. Loureiro has also realized more synergies throughout the supply chain while improving logistics for the entire range of retail stores. In short, he has benefited from greater economies of scale and scope in terms of his negotiations with suppliers across the group’s traditionally independently supplied retail business units.

Loureiro credits the ICT governance model, including his prioritization process, as critical success factors for thriving amid Portugal’s current bout of austerity. The governance model ensures that the business units share responsibility for getting value from ICT investments. The senior governance committee consists of Loureiro, two CEOs within the retail group, and the CCCO (Corporate Center Chief Operating Officer).

Portfolio governance meetings are held weekly, where a complete dashboard of the active portfolio is shared. Several key performance indicators are defined to allow each team to keep up with the prioritization, development and delivery of their projects.

Every second week, a meeting with all business partners, including ICT process owners that interface with business users, is held in order to share business needs, requests and discuss synergies within a number of projects. These meetings can lead to cost reduction, improve deliveries time frames and optimized resource planning. As a result of the operational savings and improved governance and prioritization, Loureiro and his ICT team were able to execute more than 80 additional projects per year.

To create more synergies, Loureiro and his ICT team plan to analyze customer data from the company’s other divisions to create better and more tailored value for customers. With shoppers in the group’s food stores using loyalty cards for 90 percent of their purchases, Loureiro and the ICT team want to explore ways to use this data to develop a new ecosystem. They could cross-feed this data to other business units within the Sonae Group and its external partners, including GALP Petroleum and EDP.

“The ICT team creates value by improving both the bottom and top lines.”

**Thriving amidst austerity by architecting ICT-enabled synergies.**

Artur Loureiro
CIO of Sonae
The ICT department reorganized itself to be more strategi-
changes helped save €27.5 million in operational costs due
also provided a transparent opportunity for
it also provided a transparent opportunity for
money made or money saved relative to the
examples of IT-enabled
the start of 2012, after Andrew Marks had
the ICT department (about 150 in to-
became proactively stop a concerning
each year, as the business was growing
and staff, so too were both ICT capital and
ICT operating costs – by an estimated €25
they stopped the trend
and held the ICT budget at the same level as
To generate greater value from the same
the budget as the year before, Marks and his team
introduced IT roadmaps aligned with business
interests; strengthened and simplified
project governance, and reorganized the ICT
team. By looking across Business Units and
Functional needs, the IT Business Partners
were able to identify overlaps and gaps.
they were also able to better schedule and
They also helped put ownership for IT-related decision-
making in the hands of the rest of
the organization. This has also helped identify potential
synergies – particularly in terms of
re-use of existing solutions.
Finally, the ICT department was
re-organized into two inter-re-
lated teams related to business
value. The Driving Value team
includes Demand Management
and Project Delivery. Members
of this team are responsible for shaping busi-
ness needs and for preparing business cases
jointly with business peers. They are also
jointly accountable for tracking and delivery
of business benefits along with their business
peers. As Marks explained, this team helps the
rest of the business “only do what is required,
what adds value, and do it well.”

Helping the business take
greater control of ICT to mitigate
risk and generate
more strategic value.

The Protecting Value team includes Service
Delivery and Managing Risk. They provide
day-to-day high-quality IT services and assure
that IT runs optimally in terms of hardware
and software performance, asset manage-
ment procurement and training/support.
Essentially, they are focused on “delivering
great service, securely and at the right cost.”

Marks and his team now collaborate with
the rest of the business to create value in a
variety of ways. With regards to exploration,
Tullow has an amazing success rate of 80
percent – that is, 8 out of every 10 wells that
they drill they succeed in finding oil or gas
(industry average is 25-30 percent). Marks
credits their exceptional and historic track
record because of the teams of people who
build models of what the subsurface looks
like ("ultrasounds of Mother Earth") in terms of
where the oil may be and how
much of it. The ICT team helps
the geoscientists reduce risks by
both iterating through a greater
number of scenarios to de-
velop a more likely and specific
scenario (thereby increasing
the degree of likelihood that
the model is correct) and by
helping them model more parts
of the earth and in the process
develop a broader understand-
ing of what is possibly there. The role of ICT
to help reduce risks associated with explora-
tion is so fundamental that Mars reports to
the Exploration Director, rather than the CFO
or CEO.

“Company’s in this sector are in a risk game. A
fundamental role of ICT is to reduce risk.”
Examples of IT-enabled leadership-in-action

As an online games publisher, Spil Games derives all of its value from ICT. The company engages with customers through smartphones, tablets or computers. The gaming content and experience that the company offers is entirely digital. Said Mike McGrail, “ICT is not only a key business enabler, it is the value itself.”

From the beginning, Spil Games made the strategic decision to use open-source software for everything they do to avoid expensive licensing fees for software and to avoid having to rely on external service providers for support. No single piece of technology in the company is commercial or off-the-shelf. This approach also affords the company a higher degree of flexibility because “anything we need to do, we’re able to do immediately on our own,” McGrail said.

Of the 280 full-time staff members employed at Spil Games, about 110 of these are based within the ICT organization. About a third of the ICT headcount belong to an engineering team that manages and monitors the data center, networks and servers. About a fifth are involved in the development and maintenance of platforms, such as the analytics platform, the presentation platform and game engines. The rest of the team works in small groups focused on the user experience.

McGrail and his ICT teams engage in data-driven decision making. They track myriad real-time metrics regarding user gaming activities, micro-payment activities and advertisement-related activities, such as the number of people from a particular demographic playing a particular game while viewing a specific advertisement – all in relation to their preferences based on any past engagements with Spil Games. Every morning they check what their revenue performance was the day before. Said McGrail, “With such a granular compass to help us understand where we are, we are able to identify which recently developed features are achieving results and which ones are not.”

Essential to the success of Spil Games are core competitive mechanics, which McGrail defines as the ability to improve the user experiences continuously by rapidly developing, introducing, experimenting with, and learning from new features. According to McGrail, “First and foremost we are here to compete digitally for the time and money of our users. We do that by quickly developing features that will give them the ‘unicorn and rainbow’ feeling that makes them want to come back.”

One of the biggest challenges that McGrail faces is to respond rapidly and repeatedly to specific and local opportunities with an ICT solution, while ensuring that over time that the digital platform builds out in a complementary manner. Key aspects of individual solutions, including the technology, the business processes that rely on the technology, and the data that is used and generated, should accumulate in a sufficiently coordinated manner as to enable economies of scale and scope and re-use for subsequent solutions. McGrail and his ICT team achieve this by rapidly developing new features and then using performance data to assess whether or not the features merit more ICT investment into a sustainable and integrated solution.

McGrail and his ICT teams are very adept at experimenting with small tests. For a specific user group, they may try out new features or modify existing features in order to test user engagement, which is measured by the number of return visits and other metrics. Team members follow a variety of methodologies, some of them taken from several established methods.

Said McGrail, “We don’t dictate to the teams how they should work. We just engage them on results.” Within a week, for example, a development team can develop and introduce a new feature to a specific set of users. Many times, the data reveal that small tests do not lead to better performance. However, after several iterations, if the data indicate that users are interested in a new feature, then the company will invest resources into developing the feature further and integrating it more robustly and sustainably into the core infrastructure.

“Guiding the passions of teams into ‘unicorn and rainbow feelings’ for users.”

Guiding the passions of teams into “unicorn and rainbow feelings” for users.

Spil Games

Spil Games is an online games publisher, engaging 200+ million visitors on its platforms each month. Spil Games has invested in and built gaming platforms for three target demographics – Girls, Teens, and Family – in 15 languages. Spil Games promotes online gaming as a social activity, developing gaming platforms with all the social features players need to challenge themselves and each other, share their creativity, and connect with their fellow players.

A selection of recent accomplishments

- Developed a team of diverse and passionate developers from 35 different countries who have a rich variety of educational levels and work experiences;
- The team helps engage 200 million consumers around the world each month, and of these 85 million are females;
- Offers a powerful play experience, as the average user of Spil Games spends 85 minutes per month of play time on their websites; and
- Helps grow the business, with advertising revenues increasing by 70 percent year-over-year.

Mike McGrail

Director of Organisational Development of Spil Games

“We believe that the most important characteristic that someone can have to join this company is passion.”
Examples of IT-enabled leadership-in-action

For the past three years José Olalla has been the CIO of BBVA, after serving for two years as CIO for Spain where BBVA has its head office. After 20 years of working for BBVA, Olalla has developed a detailed understanding of how the bank operates. During this time, he and his team have been integral to creating a new ICT services provider and in helping colleagues from the rest of the business take control of ICT and extract greater value from it.

In late 2009, to increase productivity, reduce costs, and improve customer satisfaction, Olalla and his team introduced a new way of using ICT to operate back-office processes across the company. The new way of managing operations was based on a three-layer model designed to identify whether a process should be centralized, outsourced or offshored.

An important dimension of the transformation journey was the launch and development of a new company called OPPlus. In close collaboration with an HR team from BBVA, Olalla and others created the new company from scratch, including hiring, training and designing career paths for almost all of the employees. Over time, OPPlus has grown organically and incrementally, and today, OPPlus consists of about 1,500 FTEs.

During the initial phases of the transformation, Olalla and his ICT Group started with a few key pilot projects to convince the rest of the business that their approach was feasible and beneficial. Having demonstrated real benefits with the pilots, they earned the support of the top executive committee to move aggressively ahead with the whole project. This was essential because it had gone beyond just an ICT project, as most of the processes that affected customers were going to be revisited.

Over time, Olalla and his team were able to convince the rest of the business to move more customer-facing services online. They have become adept at constructively pushing back the business on some demands while pushing it forward in other directions. For example, some business managers were reluctant to move a process completely online because they did not believe it was possible to do so while maintaining a high level of customer service. To overcome their risk adversity, the ICT Group demonstrated the value and necessity of moving the entire process onto a digital platform.

A critical success factor for challenging the rest of the business has been hiring talent who are knowledgeable both in ICT and the business. If ICT employees have this dual expertise, according to Olalla, it will enable them to identify the most relevant technologies and to discuss technology-related issues in a credible, knowledgeable and persuasive manner with their business colleagues. Consequently, if someone from the ICT Group suggests an innovative solution – no matter how challenging – their business colleagues will tend listen to and respectfully consider their proposals. Said Olalla, “The people who are proposing solutions are people who know very well how the business operates and also have a deep knowledge on how the technology operates.”

In line with his focus on staff synergies, Olalla introduced the role of business partners who are responsible for ensuring that ICT is helping their respective business unit thrive. Business partners report both to the CIO and the head of their business unit. In so doing, when a business manager at BBVA starts considering a new product or service, either Olalla or the business partner are involved early on in the process. This helps them understand how to best leverage new technologies and build solutions that are well integrated to existing business processes.

In several key business units, Olalla and his ICT team have already transformed and standardized the back office processes using a three-layer model. Spain and Portugal have already been transformed and so going forward, Olalla and his ICT team will continue to apply the three-layer model to the rest of BBVA’s country units.

“The ICT Group knows how to push the rest of the business so that we all end up innovating even more. We prefer to say ‘not that way’ rather than simply ‘no.’ As a result, ICT is creating business value in areas that no one in the rest of the business thought were possible."

BBVA

Banco Bilbao Vizcaya Argentaria (BBVA) is a global financial group with a diversified business providing financial services to 53 million customers across more than 30 countries. BBVA has a strong position in Spain; it is the top financial institution in Mexico; it has leading franchises in South America and in the Sunbelt region in the United States, where it is one of the 15 largest banks; and it has a significant presence in China and Turkey.

A selection of recent accomplishments

- Enhancing Operations: Introduced a new way of using ICT to operate back office processes across the company. Based on a three-layer operational model that the ICT Group lead, it is credited with already saving €41 million a year in operational costs and is expected to annually save an additional €47 million over the coming years.
- Digitizing other key processes: Customer Credit Card Claim process now 100 percent paperless and average resolution time reduced from 21 days to less than 1 day.
- Enabling new ways of working: Introduced Google Apps platform to support more flexible, more productive and more satisfied workforce.

Translating service excellence into a new enterprise
ICT was fundamental to the successful delivery of the Olympic and Paralympic Games in the UK – the nation’s single largest peace-time logistical and mobilization challenge and the most digitally connected Games ever;

- Set up the infrastructure and software (largely new) required to provide real-time results on all Olympic sports to web, broadcasters and other users. During the Olympics, 1.6 million results messages were accurately delivered to athletes, spectators, broadcasters, press, Olympics family, and public via a variety of digital and non-digital channels; and

- They enabled for the first time real-time results to be delivered from all sports to the Web as well as the first public delivery of results apps (12.5 million downloads) to four smartphone and two tablet platforms. At peak, over 60 percent of the load on their web-servers came from people using their mobile web-site directly or their downloadable apps.

A selection of recent accomplishments

- CIO of the London Organising Committee for the Olympic and Paralympic Games

Delivering results to millions.

Their results were even more impressive. During the Olympics, there were no inaccurate or late results published to key client groups; no major technology failures affecting press or broadcast operations; at no times were their web-site successfully degraded through cyber-attack or over-load (none) and no formal complaints were received on technology services from client groups.

"To deliver such results within a short period, we established an integrated team, pulling together staff, volunteers, sponsors and other suppliers from a number of countries."
Examples of IT-enabled leadership-in-action

CEPSA operates in a sector where are not highly differentiated. Business is marked by very high volumes of transactions with very low margins. Consequently, operational efficiency and customer loyalty are essential for competitiveness. CEPSA’s CIO, Joaquín Reyes Vallejo explains that “the fundamental roles of ICT are to maximize operational efficiencies and create value-added services to our non-differentiated products.”

About 10 years ago, soon after becoming CIO of CEPSA, Reyes received support from the Board of Directors to pursue a shared services model. Having analyzed the ICT services and budgets of several business units, the ICT Group discovered that if the BUs switched completely to variable costs it would result in savings of 15 percent. Within a few years, most BUs agreed to have Reyes and his team handle their ICT needs.

Reyes and his team’s efforts to develop a common ICT strategy to support all their BUs extended beyond ICT and into business processes. For example, ICT Group developed internally a new platform to support all production processes in the refineries. In so doing, the ICT Group studied what processes chemical plants, which consist of batch processes, had in common with refineries, consisting of continuous processes. Traditionally, the sector treats these processes as very distinct. They were surprised by how many processes were similar and decided to develop a common ICT strategy and platform for both types of processes. Two years later, they reused the platform for the refineries and, with a few modifications, used it for the chemical plants as well.

A critical success factor has been the ICT Group’s ability to engage with other business colleagues and show them how their local interests relate to the broader enterprise. “ICT has a special capability to understand models. They have the capability to develop a global understanding and see all the pieces integrated into a single view. They can understand the behavior of a whole system rather than individual components. It is easy to focus on a single component, such as production, logistics or procurement. However, it is also important to understand how these components interact in different ways. In addition, it is important to understand the human and cultural interactions within a system.”

To define areas where productivity improvements and cost savings could be made, a committee was set up of mostly non-ICT business leaders. Within the committee, ICT was expected to serve as a catalyst rather than a leader. In addition, the committee agreed that any projects that emerged from the recommendations would involve only ICT employees because ICT would mostly reuse existing solutions. Reyes and his team also insisted that any investment that the company did make in ICT would become the property of the shared services ICT group and a corporate asset. And anyone who wanted to use the technology in the future could use it for free.

One of the unexpected benefits of having sufficiently standardized business process platforms and ICT platforms and has been that it enables talent to move around the firm more effectively. Managers from the chemical side have been able to work on the refinery side and become operational quickly. Integration and standardization facilitated and increased internal mobility. And by working in different business areas, managers are developing a richer set of competences.

Benchmarking studies consistently show that CEPSA continues to be one of the most efficient companies in the industry. In 2012, ICT spending was only 0.4 percent of total revenues, compared with the industry median of 1.1 percent, and ICT employees accounted for only 2.9 percent of total CEPSA employees, while the industry average was 4.5 percent.

“Digitization of the enterprise is the driving force for the future of the businesses. My team and I work closely with other business colleagues to put in place a common strategy to extract the potential of mobility, social media and cloud services.”

Joaquín Reyes Vallejo
CIO of CEPSA

CEPSA

CEPSA (Compañía Española de Petróleos, S.A.U.) is an integrated energy company operating globally at every stage of the oil value chain. CEPSA has more than 12,000 employees and, in addition to Spain, has significant business interests in Algeria, Brazil, Canada, Colombia, Panama, Peru and Portugal. CEPSA is engaged throughout the world in petroleum and natural gas exploration and production activities; refining, the transport and sale of crude oil derivatives; petrochemicals, gas and electricity, including 1,700 service stations throughout Portugal and Spain.

Growing globally through strategic reuse.

A selection of recent accomplishments

- Lower operational costs: Saved €200 million in ICT spending. In 2012, ICT spend represented 0.4 percent of revenue, in contrast to an industry average of 1.1 percent;
- Operational excellence: Senior management designated the IT Group’s Global Shared Service Centre organization as the reference model to be followed for other corporate cross-function organizations, such as Finance, Procurement, HR, Logistics, and Maintenance; and
- Improved operations: Business processes that are common to all companies improved. For example, plant maintenance cost decreased after creating integrated sites for chemical and refinery plants and procurement purchases coverage increased from 35 percent to 65 percent.
Building a new organization: In a period of months, created
Bridging multiple stakeholder groups: Engage, negotiate and
Building a legacy for conducting better business: Lead the

EXPO Milano 2015 spa

Expo 2015 will be held in Milan, Italy and will focus on celebrat-
ing tradition, creativity and innovation in the business of food.
The Expo is a non-commercial Universal Exposition (i.e., it is not
a trade fair) organized by the nation which wins the candidature.
Over 150 countries are expected to participate. By the time the
six-month event begins, the organization is expected to have
1,100 employees (650 full-time) and over 36,000 volunteers
making sure 200,000 daily visitors have a great experience.

Examples of IT-enabled leadership-in-action

Matteo Veneziani was hired as CIO of Expo 2015 in 2010, at which time he began to
assemble an ICT organization, including budget and staff. He had to develop a strategy
without knowing the exact needs of key stakeholders. He also had to come up with a
budget for the period 2011–2015, which included enterprise architecture (infrastruc-
ture and applications) to support all the operations involved in building and hosting
such an international event, as well as the roadmap for achieving and sustaining the
enterprise architecture. Basing his strategy on COBIT standards, Veneziani created an Expo
ICT department around a lean organization focused on ICT strategy and governance,
demand and project management. He defined an ICT services catalogue along with the ICT
processes and organization that would sup-
port the strategy.

Having started up the ICT department from
scratch, Veneziani also ensured that the
ICT interests of a broad variety of stake-
holder groups were going to be met espe-
cially regarding the integrity of the business.
Veneziani and his team led the process of
engaging multiple stakeholders to design and
implement a protocol of legality to prevent
the infiltration of criminal elements in
the exposition site to provide a variety of data
and documents in relation to their compa-

ies, their people and even their vehicles that
will enter the construction site. The Milan
prefecture, in collaboration with other local
authorities and the Italian police, will then
analyze this information in order to give the
authorization to the right people to enter the
vast construction site. In addition, a number of other appro-
priate authorities, including the
Cassa Edile, trade unions, and
social security will have access
to the same information for
monitoring the activities of the
onsite contractors.

To process all this confidential
information, Veneziani and his
Expo ICT team developed a
collaboration platform. They integrated the
platform with a fully digitalized construction
management system, which manages the
flow of information between Expo, com-
panies, the prefecture and the authorities,
including police, financial police, trade unions,
and the social security administration. By cre-
ating a digitized process, Veneziani achieved
a level of transparency that will significantly
facilitate monitoring and reduce abuse.

The platform was also designed to accom-
modate the massive scaling that is normal as
the event approaches and as more stake-
holder groups get involved. Initially, the
platform managed only 10 main contractor
companies but that number will soon grow to
70 companies. In addition, about 40 users are
using the system, but these will increase to
about 300 users.

In all, there will be 400 companies which
could increase; 12 control entities, includ-
ing the prefecture, the police, the carabinieri,
and trade unions, which together account for
150 users; two site construction supervising
companies with 30 users; and 20 Expo 2015
users. The platform will also manage 2,000
accredited individuals and 1,800 vehicles for
access control.

According to Veneziani, this is
the first platform ever built in
Italy that can support all of these
processes in a fully digitalized
way. The platform was greatly
appreciated by the prefecture,
which asked Expo 2015 to
provide such a system for other
public contracting authorities.
Therefore, the investment made
by Expo 2015 has already generated an
important legacy. In addition, the platform
has been hailed as a best practice and is fast
becoming a standard solution for government
construction projects.

“A important part of my time is spent on
team building and team alignment. I am
proud that the ICT team has been so success-
ful at managing a very complex situation with
strong cooperation. They have helped foster
an excellent work environment.”

Ensuring the success
of an event
and leaving
foundations for
doing better
business.

A selection of recent
accomplishments

- Building a new organization: In a period of months, created
an ICT Organization, including strategy, budget and staff
from nothing;
- Bridging multiple stakeholder groups: Engage, negotiate and
address the ICT interests of a variety of stakeholder groups,
from sponsors, service providers, legal authorities, and
participants; and
- Building a legacy for conducting better business: Lead the
process of engaging multiple stakeholders to design and
implement a “Protocol of Legality” to prevent the infiltration
of crime in the construction of Expo 2015.
Call center processes increased in efficiency by 80 percent. Staff headcount was reduced from 148 FTEs to 86 FTEs; deadlines for the newspapers closing were extended by 30 minutes, a very significant improvement that enhanced the news value for readers; and circulation determination was reduced from three days ahead to one day ahead.

De Persgroep
With a turnover of almost €1 billion and more than 3,000 employees, De Persgroep is one of the largest media companies in Belgium and the Netherlands. De Persgroep owns a variety of businesses in newspaper, magazines, television, and radio. For example, De Persgroep is the market leader in Belgium with VTM a commercial TV channel and in The Netherlands, De Volkskrant, the largest quality newspaper. De Persgroep also owns predominantly online sites, such as the car site Autozone.be and the job sites Vacature.com, RegioJobs.be and VKbanen.nl.

Examples of IT-enabled leadership-in-action
De Persgroep businesses have had to learn to embrace the disruptive effects that new technologies have had on their business and sector. Member companies such as HLN.be/7sur7.be (Belgium’s largest news site) have successfully expanded their presence online. In addition, De Persgroep has fostered several predominantly online media entities which are now leaders in their respective markets.

A critical factor that has enabled De Persgroep to thrive amid such digital disruption is its ICT department, led by Luc Verbist who joined De Persgroep as CIO 15 years ago. Verbist and his team took advantage of two significant external events, the introduction of the euro as an accounting currency on 1 January 1999, and the Millennium bug in 2000. To prepare for these events, Verbist set about to re-architect the organization’s application portfolio and architecture, and to create a solid digitized platform for future growth and expansion. In so doing, his application team became trained in business process design and redesign. Quickly the ICT department were the internal experts in business-process reengineering.

As part of the early efforts to create a new digitized platform, Verbist and his team have recently defined a user interface standard for internal applications similar to a web-based experience. This enabled them to develop News and Information websites when the media businesses started their web initiatives. The ICT team was also an early and disciplined adopter of mobility for its journalists and those using cloud-based services, which enabled the team to develop and offer applications for mobile users. Today, it is extending the functionality of its web-based self-service platforms to make it easier, for example, for newspaper shop owners to check invoices. Subscribers can also customize their deliveries.

In 2009, De Persgroep acquired the Dutch newspaper group PCM, which consisted of 21 different companies and employed about twice as many FTEs as De Persgroep employed at that time. When it was acquired, the entire ICT department at the PCM group was outsourced to third parties. Verbist completely changed this approach. From November 2009 until June 2011, Verbist and his team gradually took over all the ICT responsibilities and put them under the internal PCM roof. Moreover, De Persgroep standardized all processes and applications, such as editorial, advertising, distribution, circulation, printing plants, financial applications, CRM, and website, over the entire PCM company. In the end, they integrated the two companies into a single operational firm.

Being responsible for business process reengineering within De Persgroep, the ICT Group orchestrated the entire integration process, consisting of 65 integration projects lasting three-to-nine months each. All projects except for two projects were delivered on time and to budget, with some falling below budget. The two projects were delayed at the request of the business as the training process took longer than expected.

A selection of recent accomplishments
- Call center processes increased in efficiency by 80 percent.
- Staff headcount was reduced from to 148 FTEs to 86 FTEs;
- Process of starting up new newspaper subscriptions were shortened to three days from five days previously;
- Deadlines for the newspapers closing was extended by 30 minutes, a very significant improvement that enhanced the news value for readers; and
- Circulation determination was reduced from three days ahead to one day ahead.

At De Persgroep, an important source of business value from ICT is the team’s ability to identify synergies across business units. Verbist explains this is the result of the team’s expertise, regular engagement with the rest of the business, and systems perspective of how the organization operates.

Having led such an extensive set of accomplishments, the ICT Group has developed a solid respect and trust from the rest of the business. Today, Verbist is an integral member of the senior management team, responsible for business-process optimization.

Furthermore, the ICT Group is considered a key business partner and is closely involved in key business decisions. Finally, De Persgroep uses due diligence whenever the firm considers a potential acquisition. The CFO, the CIO and the C-function of the industry sector are invited to investigate any issues that might arise from potential acquisitions.

“Our project managers, program managers and project leaders are trained in business process design. They are also delivering services for many business units; as a result we are in a unique position to detect areas of improvement. Together with the business managers we open up the dialogue and strive to improve and harmonize the business processes wherever we see opportunities.”
Transferred all of their global enterprise systems to a cloud base infrastructure as single instance, enforcing process standardization among all the countries where M&G Group operates.
- Reduced the time needed to provide ICT infrastructure by 90 percent; and
- Instrumental in helping M&G Group launch a new business unit, Bio Business.

Examples of IT-enabled leadership-in-action

M&G Group is among the largest PET producers in the world, with a production capacity of almost 1.7 million tonnes per year, and manufacturing locations in Brazil, Mexico, USA and Italy. Its plants in Suape (Brazil) and Altamira (Mexico) are the two largest single lines in the world and are based on proprietary technology. M&G Group’s two other business units are Chemtex, the engineering and R&D branch of the Group, and Bio Polyester Feedstocks, which is charged with the production of PET resin 100 percent made from renewable sources.

M&G Group’s products are commodity-like and do not include any ICT components. Nonetheless, ICT is essential to creating business value in terms of lowering production costs, increasing the flexibility to quickly adapt production on a global scale in response to unanticipated challenges in demand or supply, and rapidly and efficiently integrating acquisitions.

Marco Zanussi joined M&G Group in 2001, soon after the company embarked on a significant M&A growth phase. The company took advantage of the change to transform ICT to a department that relied heavily on external service provider. It also helped set the stage for taking advantage of cloud-based services and software-as-a-service, once vendors had developed attractive offerings, 10 years later. For example, in 2002, they wanted to develop and run a critical application for managing railcars in the United States (railcars are used for transporting and storing raw materials) without creating an ICT team in the US and thereby increasing the complexity of ICT. They adopted a local software-as-service package linked to their logistics systems — a solution that helped them develop the capabilities for eventually moving to the cloud.

In 2011, as part of its strategy to reduce operational costs and increase flexibility and speed to shift production capacity, Zanussi and his team moved all of M&G Group’s global enterprise systems onto a cloud base infrastructure as single instance. Some processes were already into public cloud whereas the remaining were shifted to private cloud. As they did, they ensured all processes across all the countries where M&G Group operates had standard processes.

Since then, they have operated the global IT operations of the Group without any internally owned system (or network). This included systems that support administrative processes, such as HR, finance, and procurement, as well as operational processes, such as manufacturing. Zanussi simplified both the ICT organization as well as M&G Group, in terms of people, infrastructure and processes. The ICT department is focused on governance, sourcing strategy and vendor management, as well as demand management.

Zanussi and his team of 38 FTEs also helped set up of a global purchasing and logistic system for the engineering business unit. They integrated the system with other key systems in the company, such as design tools, enterprise resource planning systems, and business intelligence systems. The total delivery time was 3 months for each of the four countries involved.

Zanussi and his team have also been instrumental in helping M&G Group launch a new business unit. They set up of the IT systems that supported the processes of designing, building and launching the Bio Business Unit. The systems were essential to support the two units that supply and then process the bio feedstock to produce cellulosic ethanol made from biomass, known as “second generation” ethanol. It became the first full scale plant in the world using such M&G proprietary technology.

Global external service providers are a key part to how M&G Group uses ICT to rapidly create value. Zanussi and his team have developed strategic relations with key providers to ensure the M&G Group has access to the best talent and most innovative, efficient and effective methodologies and tools available. The next step for taking the company towards speed and simplicity is subscribing more to software-as-a-service.

“When I sit down with a strategic service provider, I no longer talk about new technology. I insist on talking about how they can help a chemical business improve its performance. We tell providers what we do, where we need support, and how we get that support today. The providers have to clearly explain how they can support us better.”

A selection of recent accomplishments

- Transferred all of their global enterprise systems to a cloud base infrastructure as single instance, enforcing process standardization among all the countries where M&G Group operates;
- Reduced the time needed to provide ICT infrastructure by 90 percent; and
- Instrumental in helping M&G Group launch a new business unit, Bio Business.

Marco Zanussi
CIO and HR Director of Gruppo Mossi and Ghisolfi

Gruppo Mossi and Ghisolfi

Founded in 1953 and headquartered in Tortona and Milan, M&G Group is a chemical and engineering multinational company with an annual turnover of approximately €2.5 billion. M&G Group’s main business unit is PET Polymers, which develops polyethylene terephthalate (PET) resins for packaging and films for the food and drink market. M&G Group’s customers are beverage and food companies.

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Next Steps:

Working together to ensure Europe has sufficient IT-enabled leaders

To be innovative and competitive in today’s global digital economy, organizations have little choice but to invest in information and communication technologies (ICT). However, without the proper skills and leadership profile to put these technologies to effective use, firms are at significant risk of wasting their investments and missing key opportunities for growth and competitiveness.

Results from a recent study conducted by INSEAD eLab make this strikingly clear.2 This study highlights the positive outcomes for firms which have access to e-skilled professionals, such as enterprise architects, risk and security specialists, and application developers, and invest more in new technologies – that the probability of these firms becoming competitive in their markets can double. On the contrary when firms with insufficient e-skills make significant investments in new technology, these investments do not necessarily increase the likelihood of better performance. In short, without the talented leaders who are both IT-savvy and business-savvy, firms may risk wasting their precious investments in new technology and losing their competitive edge.

Having strong IT-enabled leaders is not simply beneficial to competitiveness — it is necessary to avoid wasting investments in IT. This is true for all types of organizations — no matter the size or sector.

The 18 CIOs profiled in this report are all perfect examples of the new types of leaders that drive their organizations forward by enabling them to take control of new technologies and create greater value from them. Effective and highly competent, this new generation of CIOs understand their organizations’ systems of technology, business processes and data as well as to what extent (or not) these systems support their organizations’ strategic objectives. They have proven capabilities in leading teams of IT project managers and non-IT professionals to create significant business value from their systems. All are effective IT-enabled leaders (also referred to as ‘e-leaders’).

As the profiles of their individual accomplishments demonstrate, IT-enabled leaders and their teams are helping organizations from all sectors of the economy use IT to enhance business performance and create business value. They do so in myriad ways, from operating better and cheaper to collaborating more effectively, and from enhancing the customer experience to increasing the speed and success of acquisitions.

Today, more organizations have come to realize the importance of IT-enabled leaders, and so the demand for new types of skills and for leaders having a t-shaped portfolio of competences has grown dramatically. In demand is a leadership profile with vertical, in-depth expertise in systems of technology, business processes and data; and at the same time with horizontal, transversal capabilities to lead and collaborate across a variety of boundaries, such as geographical, occupational, and organizational.

Are such leadership profiles easy to find? The results from a recent study conducted by INSEAD eLab, empirica and IDC demonstrate, the demand in Europe for IT-enabled leaders is already exceeding supply.3


3 http://www.eskills-vision.eu/home/
Scaling successes

But the good news is that Europe has several examples of successful multi-stakeholder efforts that are helping to build a larger supply of IT-enabled leaders (or simply, e-leaders). The challenge going forward is one of rapid scaling.

There are already many successful efforts at developing e-leaders, such as IT-vest in Western Denmark; the Professional Programme in Business & Enterprise Architecture in The Netherlands; and the Cranfield IT Leadership Programme in the UK. However more multi-stakeholder partnerships are needed to scale these successes and help individuals, who may be either new to the workforce or currently employed, develop an e-leadership portfolio of skills and competences.

Educational institutions that have succeeded in training IT-enabled leaders are those whose teachers and professionals act as facilitators of a hands-on approach and who encourage students to use new technologies to build solutions. Their teaching methods challenge traditional models of education and assessment. For this reason, it is imperative for firms to be clear about their demands for e-leaders and actively participate in new ways of fostering e-leaders, to improve recruitment and competitiveness.

Recommendations focus on creating newer formats and larger partnerships for education and the acquisition of e-leadership skills. A greater number of educational institutions are laying the groundwork to team up with industry and roll out a range of e-leadership curricula and e-skills courses, while re-defining and enhancing teaching formats.

In addition, e-leaders in companies are encouraged to engage with students at educational institutions – from high school to university level – to help raise their awareness of the exciting ways e-leaders are using new technologies to create significant value, serve as role models, and provide them with opportunities to develop an interest and enthusiasm for e-leadership.

In general, there is a need for a variety of stakeholder groups to collaborate and rapidly scale-up existing successes. This will require businesses, educational institutions, and the public sector to provide a wide range of participants – from young students to senior professionals – with a greater number of opportunities to use technology and build solutions collaboratively. In this way, the challenges that are most relevant to all participants will be addressed with far more success than ever before.
The report represents results from in-depth research which surveyed Chief Information Officers from 10 European countries and interviews with 18 of Europe’s most distinguished CIOs, as judged by their peers. Together, these findings help us better understand how organizations are taking control of information and communication technologies to create significant business value in myriad ways, such as operating globally, better and cheaper; collaborating more effectively; enhancing customer experiences; innovating services and products; and increasing the efficiency and success of mergers and acquisitions.

The report identifies three types of IT-enabled leaders who are helping a wide variety of organizations be more competitive and create more value: Technology-driven CIOs; Business process-driven CIOs, and Client-driven CIOs. As a whole, the report’s findings highlight the importance of fostering IT-enabled leaders. They suggest that any organization that does not strive to have at least one of the three types of IT-enabled leaders is failing to pursue important opportunities to create value and be competitive in today’s increasingly interdependent and dynamic global economy.

About CIONET
CIONET is the biggest community of IT executives in Europe. Bringing together over 4000 CIOs, CTO’s and IT directors from wide ranging sectors, cultures, academic backgrounds and generations, CIONET’s membership represents an impressive body of expertise in IT management. CIONET’s mission is to feed and develop that expertise by providing top-level IT executives with the resources they need to realize their full potential.

CIONET develops, manages and moderates an integrated array of tools and services from the online CIONET platform – the world’s first social network for CIOs – to a range of offline networking events, conferences, workshops and executive education programmes all tailored to top-level management. CIONET also provides exclusive access to the latest research through regular online and offline publications and a number of value adding partnerships with key players from the academic and corporate worlds.

Faced with the rapidly changing role of today’s IT executive, CIONET not only helps its members keep up with the pace of change but empowers them to take an active role in shaping the future of their field, always challenging them with “What’s next.”

More information on CIONET can be found on: cionet.com - blog.cionet.com
More information on the European CIO of the Year awards can be found on: ecoty.eu

About INSEAD eLab
INSEAD brings together people, cultures and ideas from around the world to change lives and transform organisations. INSEAD eLab is a Centre of Excellence providing insights into the impacts of digitization on leadership, organizations and countries. A key objective of INSEAD eLab is to strengthen links across academia, business leaders and policy makers by:

1. Drawing on a variety of global resources to develop research insights that are academically rigorous and relevant to private and public sector leaders; and
2. Providing leaders with regular opportunities to learn from each other and collaborate more effectively.

Information on INSEAD eLab including research reports, can be found at: www.insead.edu/elab

About Huawei
Huawei is a leading global information and communications technology (ICT) solutions provider. Through our dedication to customer-centric innovation and strong partnerships, we have established end-to-end advantages in telecom networks, devices and cloud computing. We are committed to creating maximum value for telecom operators, enterprises and consumers by providing competitive solutions and services.

Our products and solutions have been deployed in over 140 countries, serving more than one third of the world’s population.

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