What business are we in?

Following the merger to create gsk, UK adopted a different approach to IT. This has resulted in:
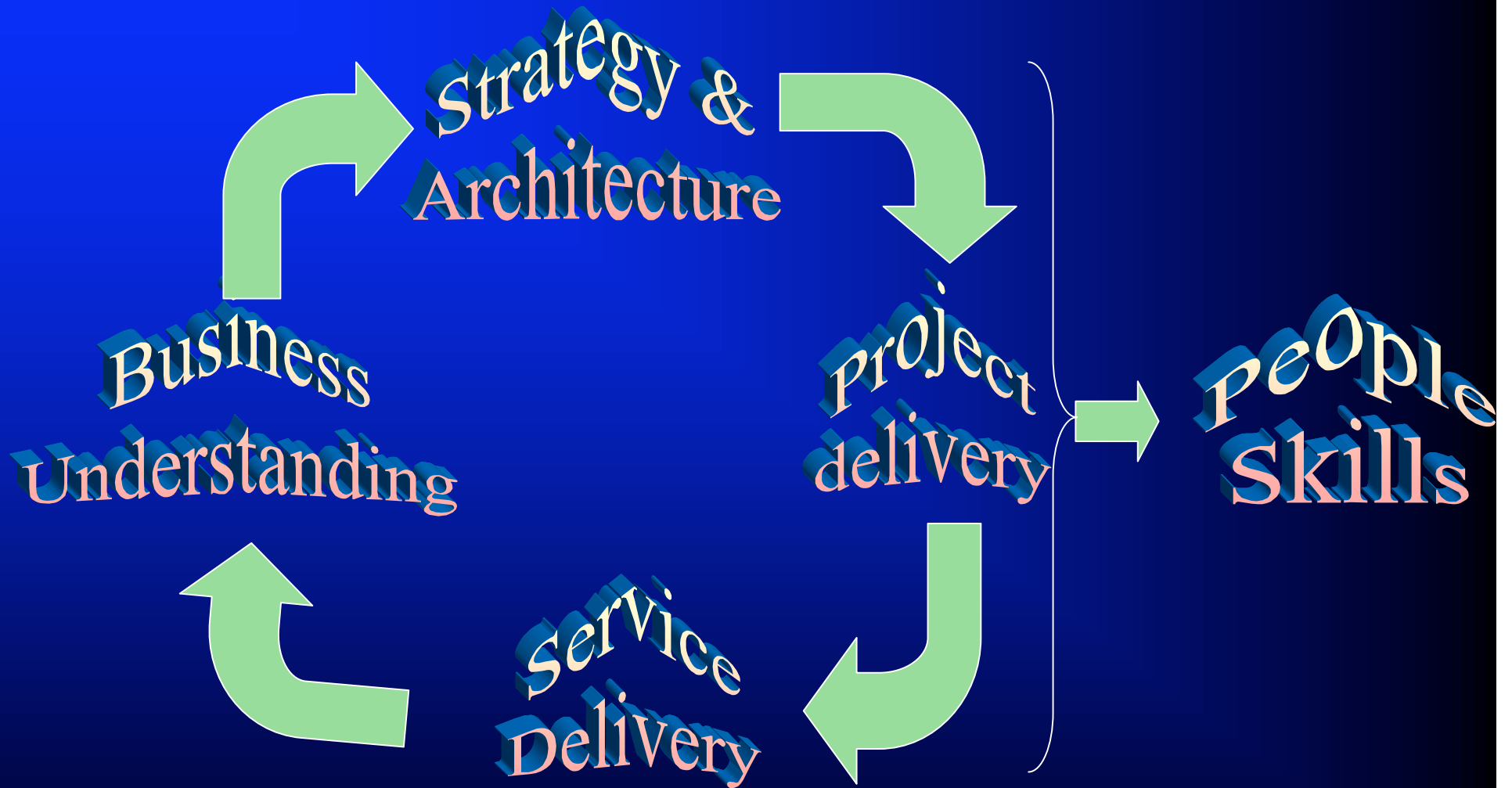
- IT recognised as contributing to large increase in sales

- The cost of IT has been reduced by 75% – many systems removed/streamlined

- IT recognised as integral to our business – a real partner

- IT people can challenge business decisions and direction

- People in IT feel part of our business and can make a real difference – not just techies

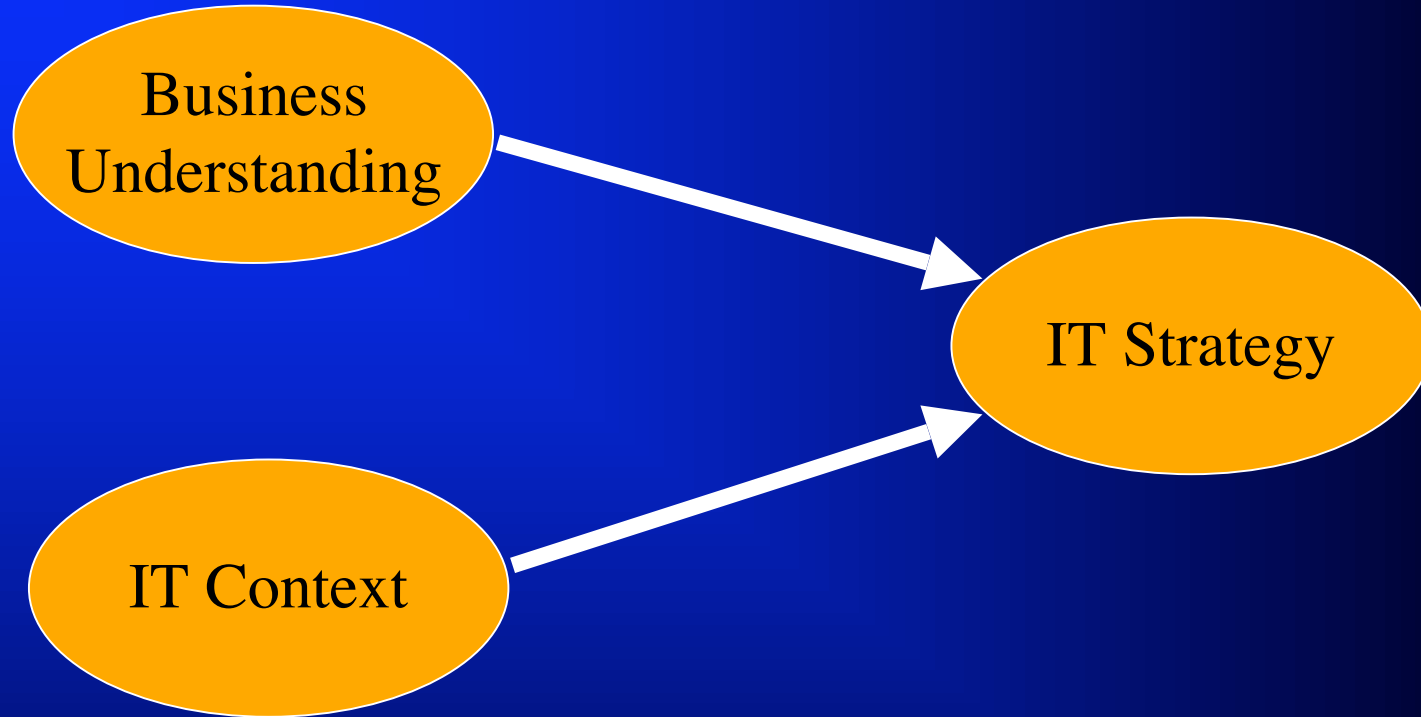The merger created the opportunity and moved us 'far from equilibrium'

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What did we do?

Capabilities

Strategy & Architecture

Project delivery

Business Understanding

Service Delivery

People Skills

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Strategy & Architecture

Business
Understanding

IT Context

IT Strategy

Architecture is what we used to think of as IT strategy

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What does our IT strategy look like?

Ambition

Challenge 1 Challenge 2 Challenge 3 Challenge 1

This approach exactly parallels the business strategy process

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Our goal in 2001-2004 did not change…

To ensure that GSK UK Pharma gains more value from IT than any other GSK operating unit or UK pharma Company

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Examples of key challenges were:

- How can we ensure that we have great people, doing what they do best and able to realise their full potential?

- How can we continue to reduce the unit cost of IT?

- How can we embed our new IT processes?

- How can we get GSK UK Pharma to exploit new and existing IT more effectively and thereby increase top line growth?

Teams from across the IT division were formed to address the challenges

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For example: Reduce cost of IT - ScoreIT

- Everyone in division assigned to a team
- Teams led by volunteers/selected by team (some were led by very junior people)
- Some teams chose to have T shirts printed etc
- Every month for about 5 months, teams submitted ideas – awarded goals for ideas accepted and more if implemented
- Party in summer to award prizes and have some fun

Everyone felt involved, had fun and we reduced spend for following year by about 15%

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LIFESTYLE BENEFITS

- Worldwide
- Compassionate Leave
- Enhanced Maternity Leave
- Paternity Leave
- Sabbatical Leave
- Additional Leave
- Flexible Working
- Worklife Balance
- EHM
- Environment
- Parking
- Staff Shop

TOTAL REWARD

- Salary
- Bonus
- Sharesave
- Share Reward
- Pension
- Share Options*
- Car*
- Healthcare : CIGNA / DENPLAN
- Family Support
- Employee Assistance
- Holidays
- 4 x Death in Service
- Corporate Discounts

FUN

P.A.S.S.I.O.N

- Supportive Management
- Ideas encouraged / developed
- Empowerment
  - Framework not Boundaries
- Accessible Management
- Enthuse / Inspire
- Accountability / Authority
- Diversity
- Team Horizons
- Elevenses
- Team Building
- P.A.S.S.I.O.N. Awards
- Integrity

'I make a difference'

P D P
Objectives/Development/Essentials

- Secondments
- Technical Skills
- Core Skills
- Leadership
- Business
- Global Inductions
- Learning Link
- Further Education
- Career Planning
- Alignment to Business Goals
- Opportunities
- Success
- Focus/Direction
- Stretch

'Sustained Stimulation'

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People Stream Fun Model

Complexity Perspective

- Defining fitness landscape

- Creating the environment by facilitating connectivity

- Co-evolution within the IT function

- The space of possibilities was explored by involving many people with many ideas and trying to be supportive not punitive

- An attempt to facilitate an innovative environment

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Projects

Project Delivery

- 'There is no such thing as an IT Project'
- Highly professional project managers
  - Not system developers or business managers who are called project managers
  - Learn from Civil Engineering
- Large projects (>6 months) usually fail on at least one key parameter (cost/time/quality (functionality))
  - Break-up big projects
- Projects must deliver measurable value and this is the accountability of business managers – IT will help monitor progress
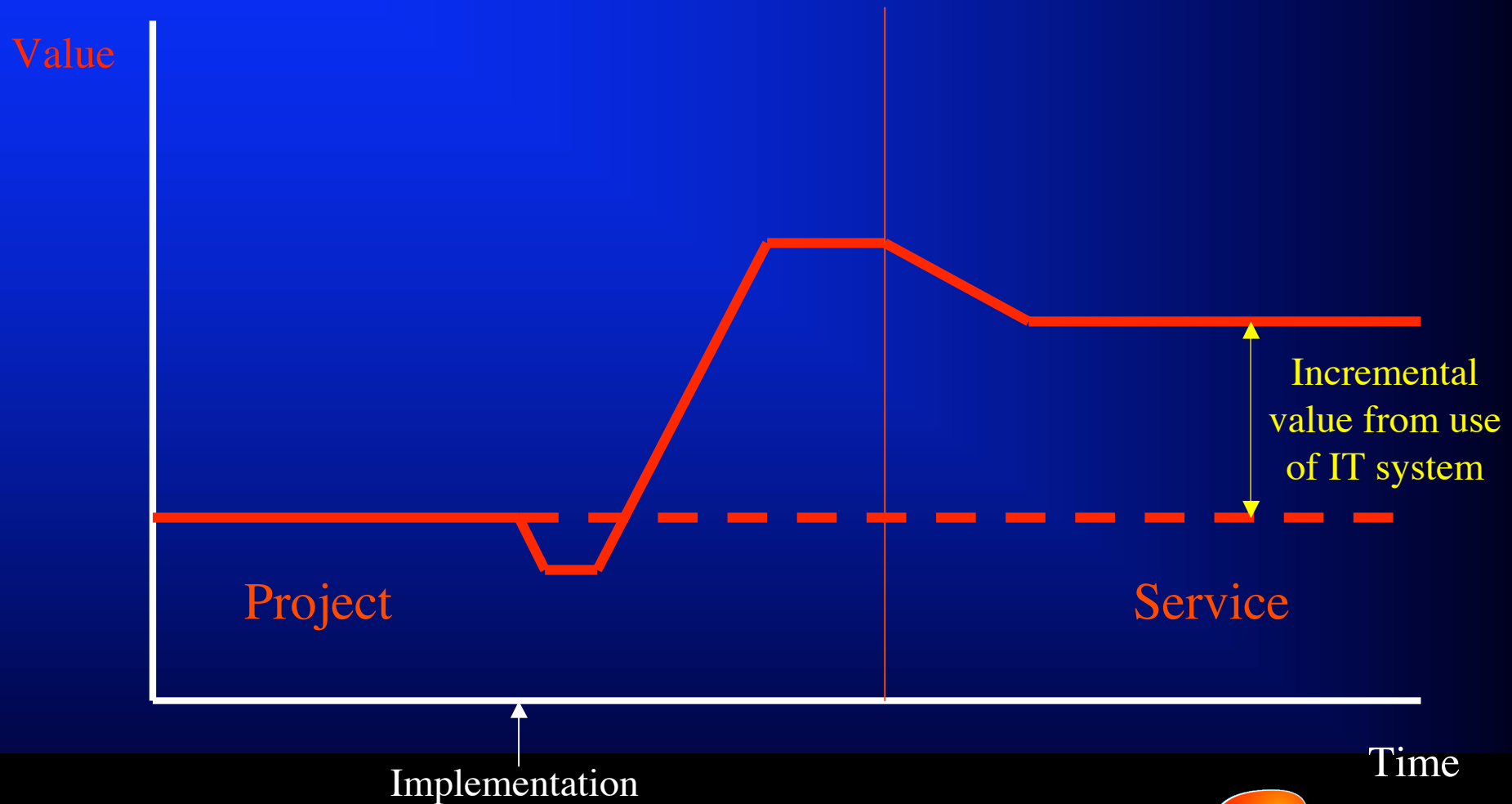- Measurement of project progress must be seen as supportive not punitive

Complexity Perspective

- Means by which changes are made to accommodate or create a different environment

- The idea that there were no IT projects (just business projects) drove the interdependence/connectivity, encouraged feedback (+ve & -ve) and broke the 'them and us' attitude
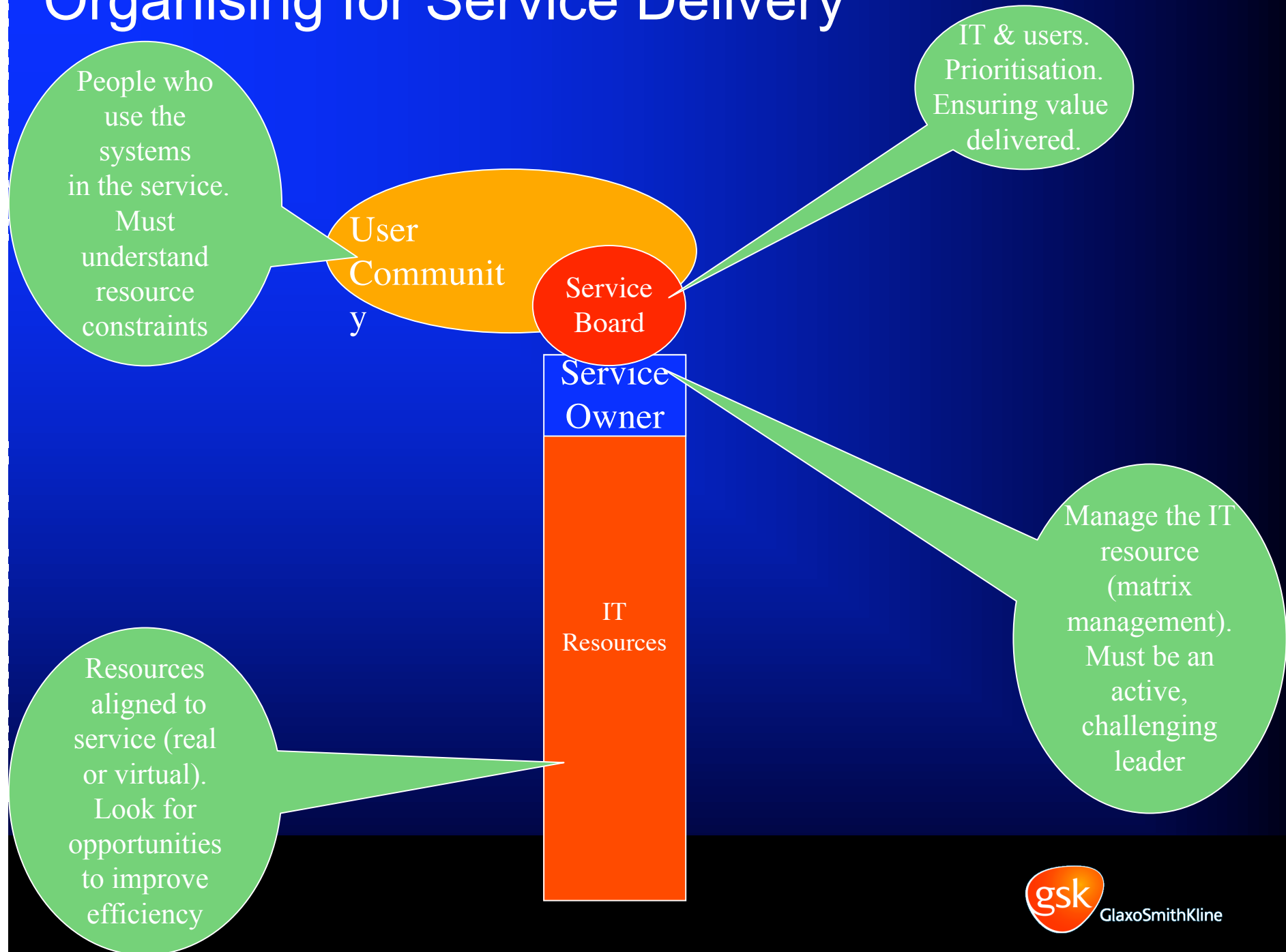
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Service Delivery.

Firstly what do I mean by a service?

All business processes generate value

Value

Incremental value from use of IT system

Project

Service

Implementation

Time

Project team

Service Team

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Organising for Service Delivery

People who use the systems in the service. Must understand resource constraints

User Community

Service Board

IT & users. Prioritisation. Ensuring value delivered.

Service Owner

IT Resources

Resources aligned to service (real or virtual). Look for opportunities to improve efficiency

Manage the IT resource (matrix management). Must be an active, challenging leader

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The value can only be seen if the service is effectively measured

- Measures must focus on changing the value of the business process e.g.
  - % calls on target
  - No. new deals with customers
  - Up-selling and cross-selling by the Call Centre
  - Forward days stock holding
  - etc

- IT measures are secondary
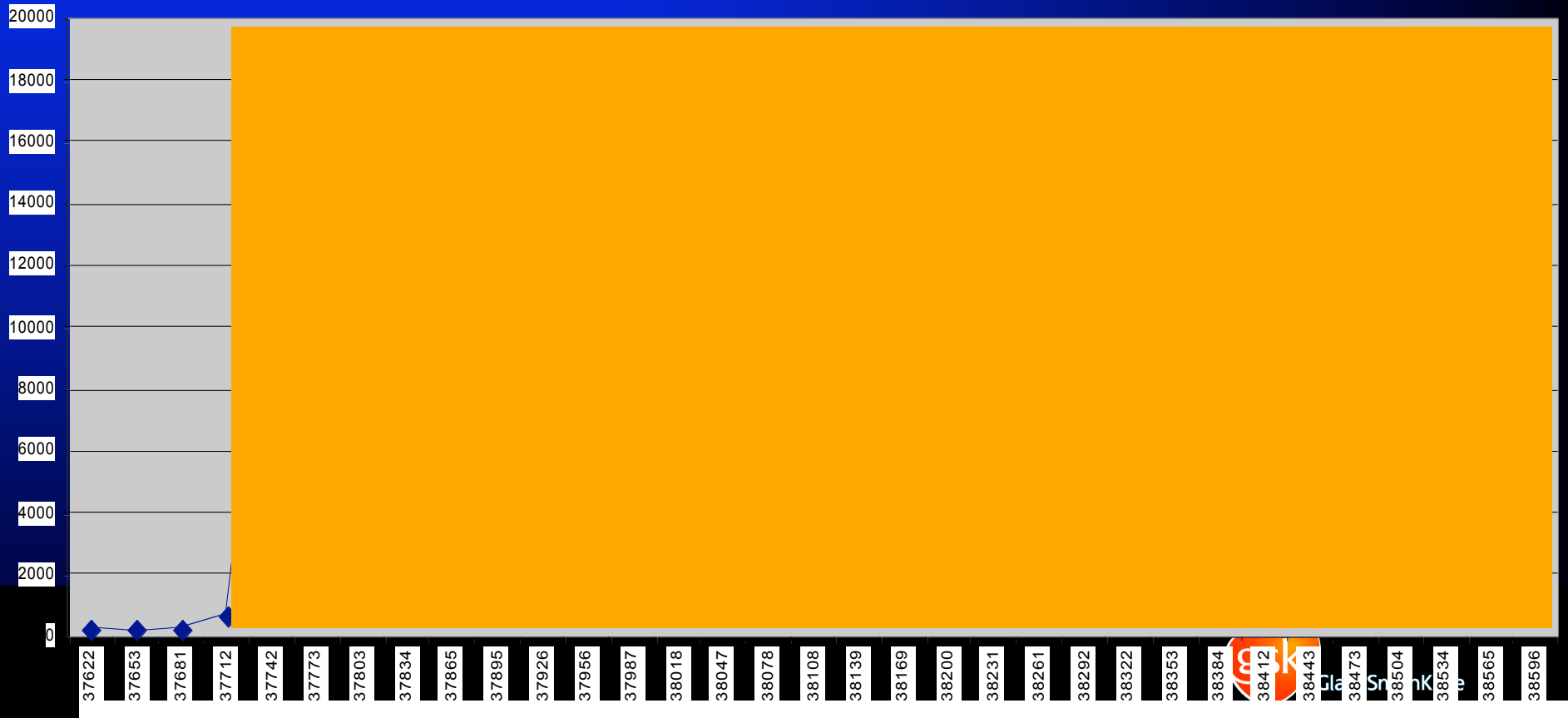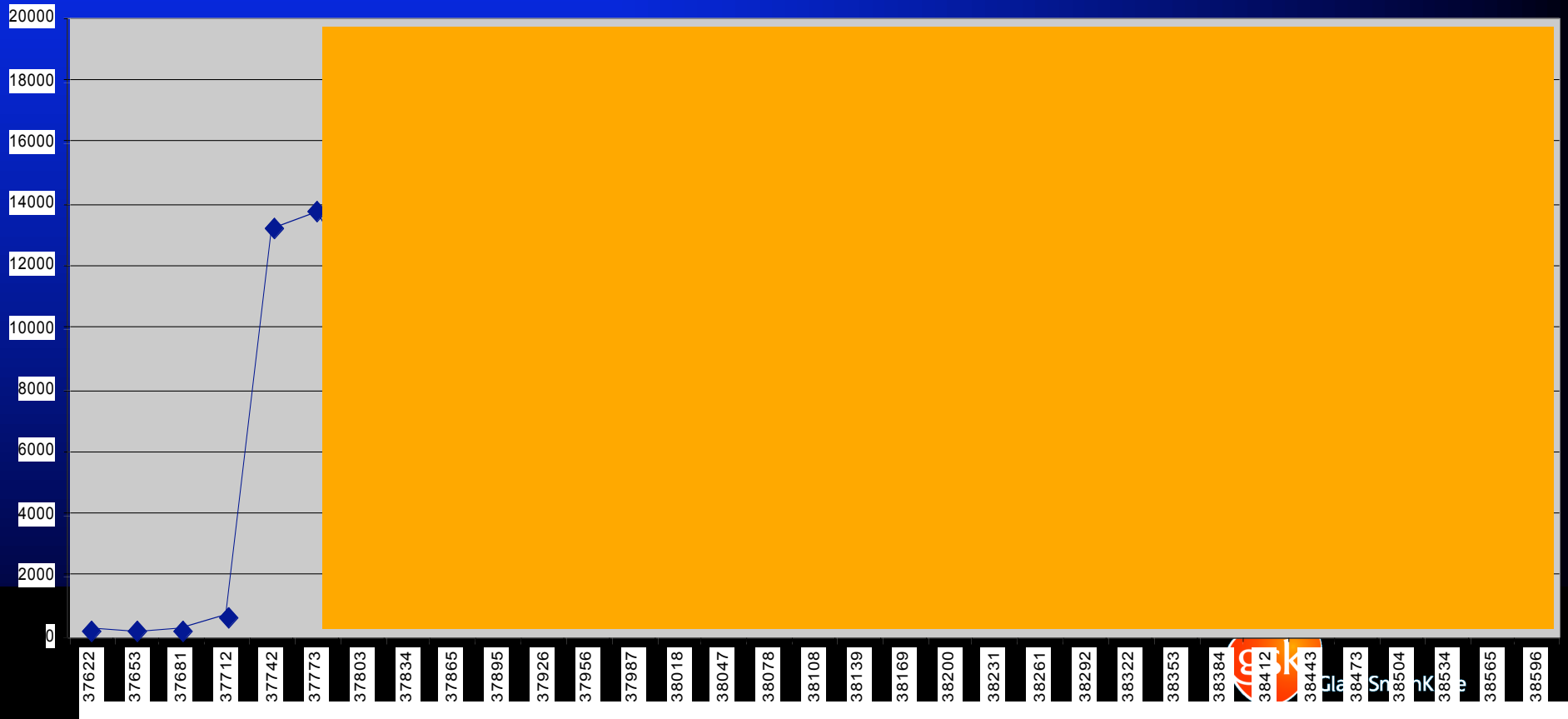 - They are important behind the scenes
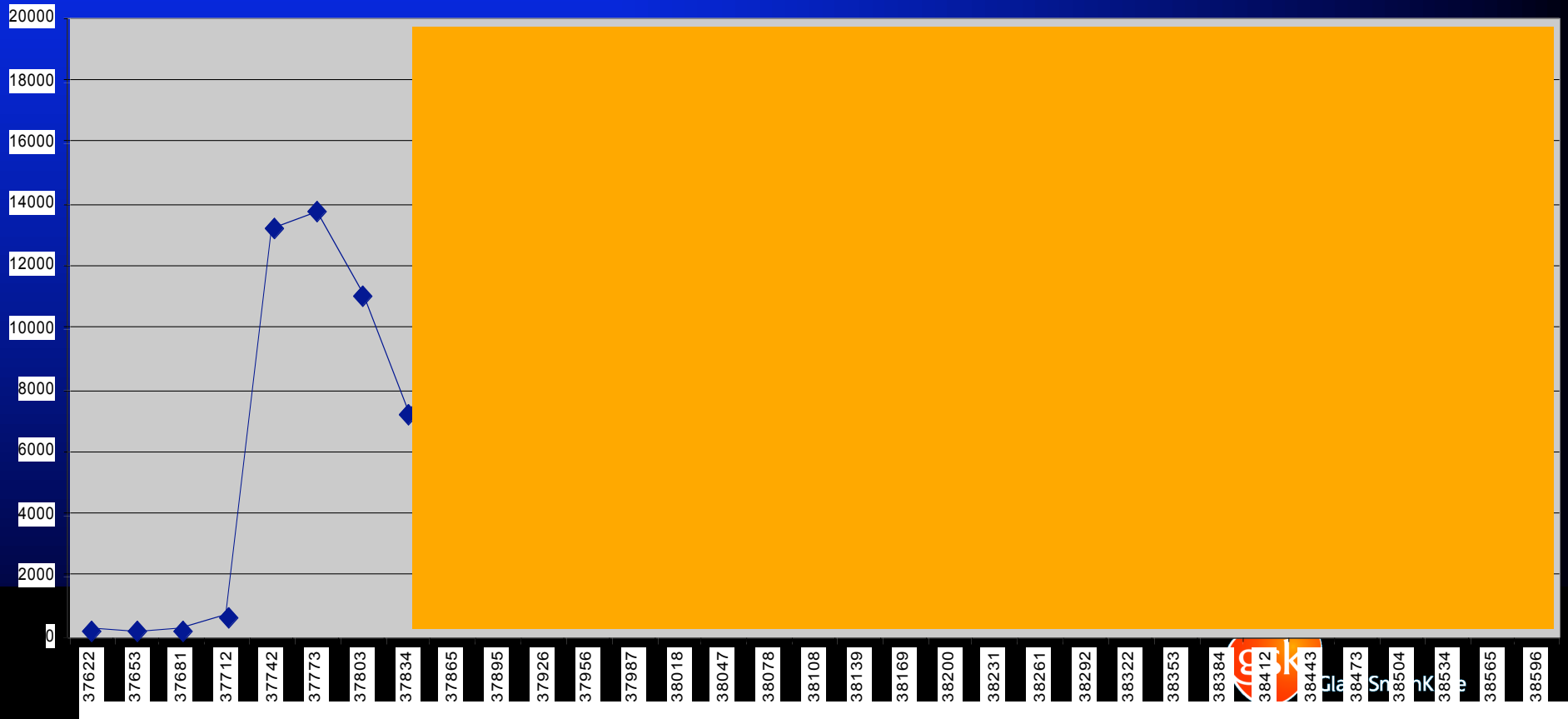
Why?
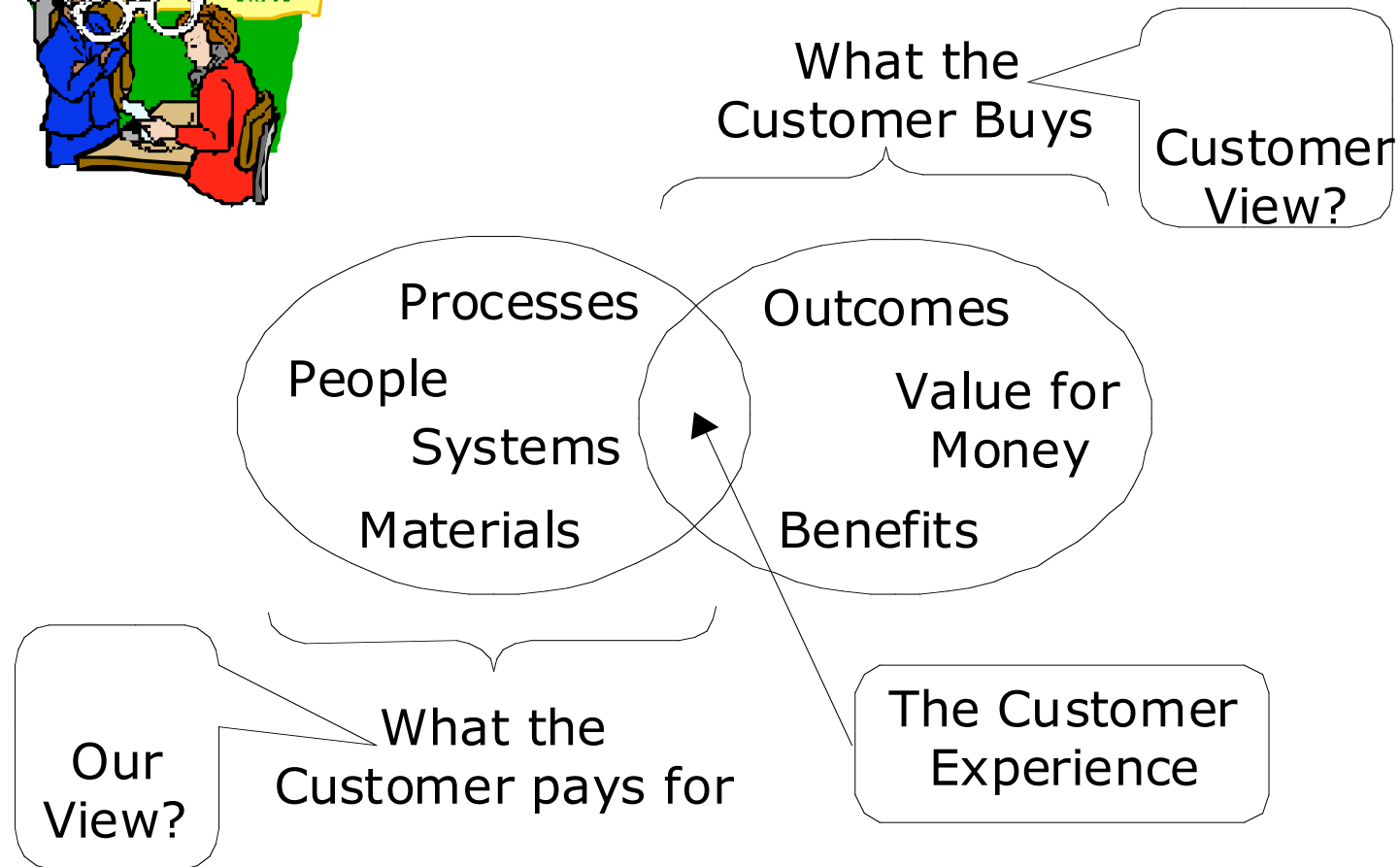
One example

Usage of Service Initiatives

Project implemented – Success!
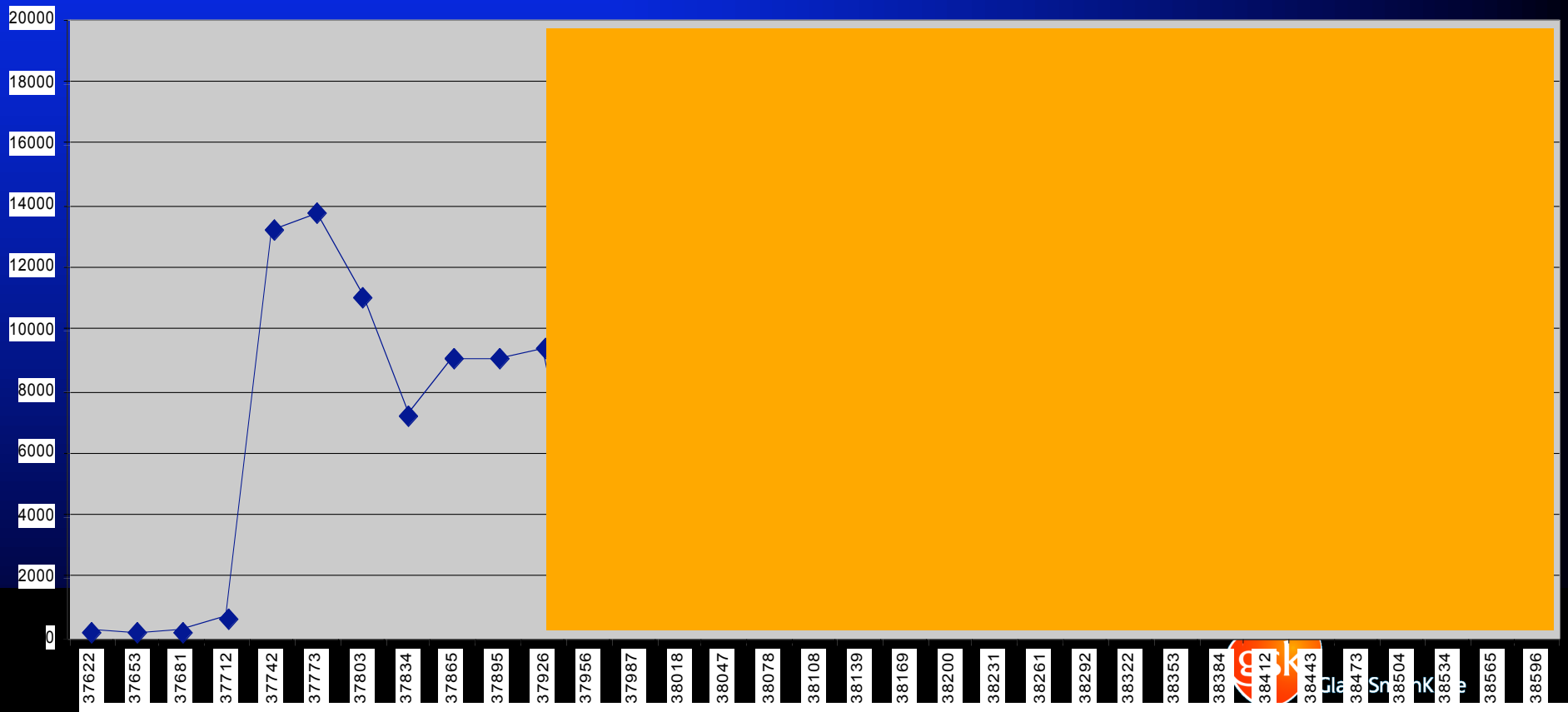
Usage of Service Initiatives
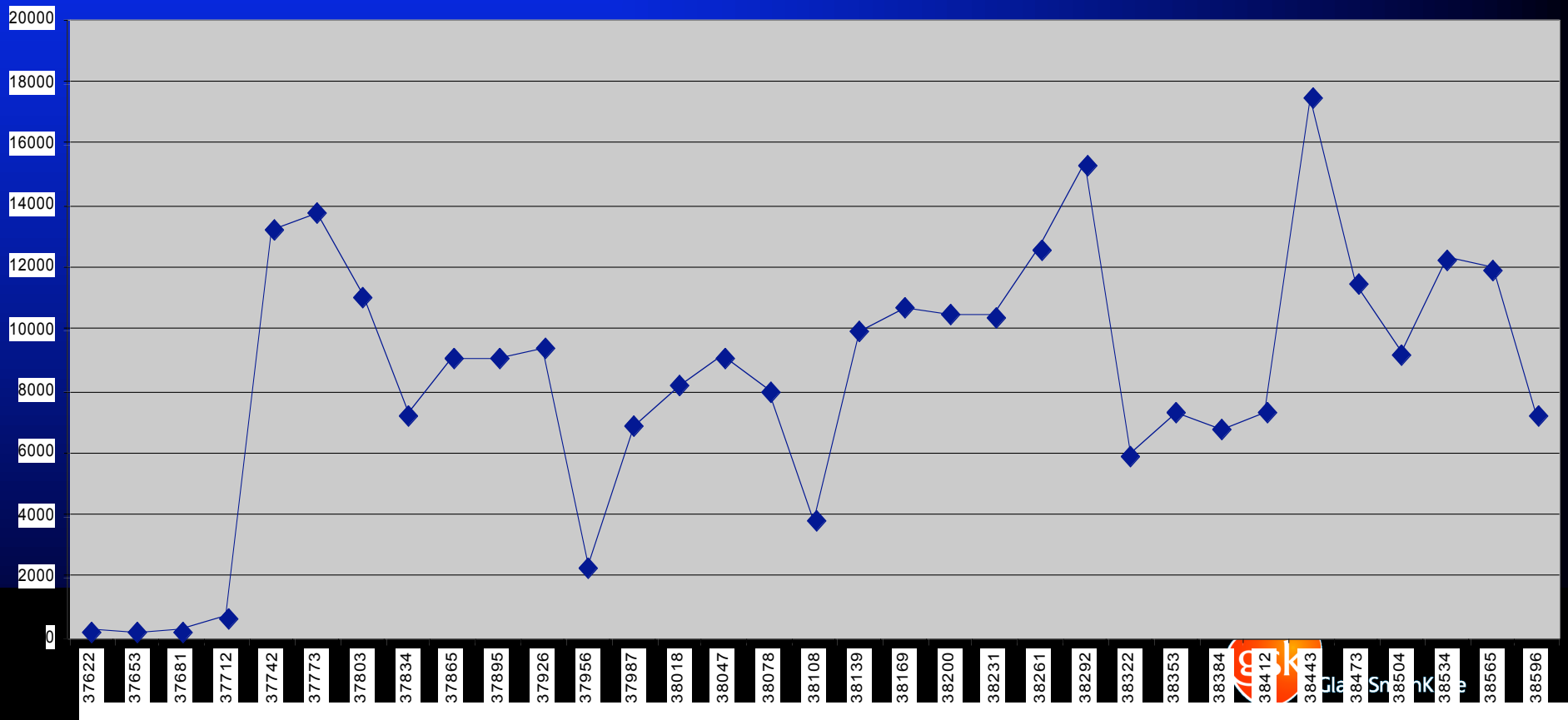
But…

Usage of Service Initiatives

IT took action

Usage of Service Initiatives

It's an on-going process

Usage of Service Initiatives

Complexity Perspective

- The service boards were good examples of co-evolution with IT & users adjusting to the new position adopted by IT

- They also promoted interdependence

- Measurement can be dangerous!

  – It helps ensure that we stay within the defined landscape and allows supportive management but…

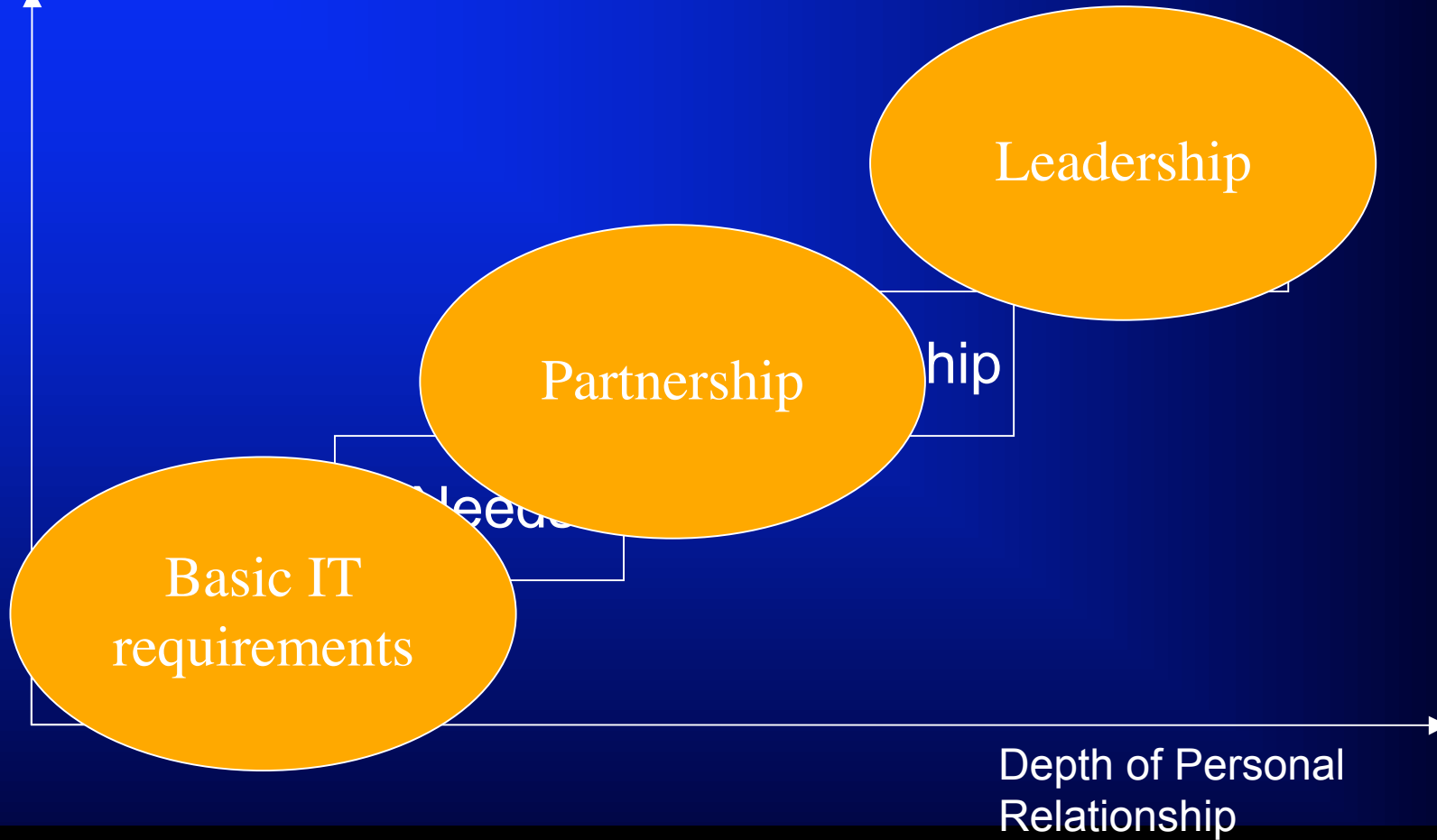 – It also allows punitive management. This must be avoided at all costs

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...and to do more than just the basics it's about PEOPLE and relationships

- Clear and simple goal (repeated time and again)
- Simple expression of the meaning of value
- Measure value (not all the simple-to-measure stuff)
- Allow 'things' to emerge – be flexible – engage everyone
  - Risky management
- Go for 'partnership', 'leadership', less service
- Most important skills revolve around relationship management
- Be courageous
- All combined with great technical ability

In Conclusion

By facilitating the interaction between people (micro-agent interaction) a new order emerged in which IT is recognised as capable of providing not only basic services but also acts as a partner and a leader (not just technology)

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Where next?

- The big question

How can we use this information to help others develop this capability?

Work with Professor Eve Mittleton-Kelly during 2005.

Further work in 2006

Thank you