
Leadership & Complexity

Aligning IT with business

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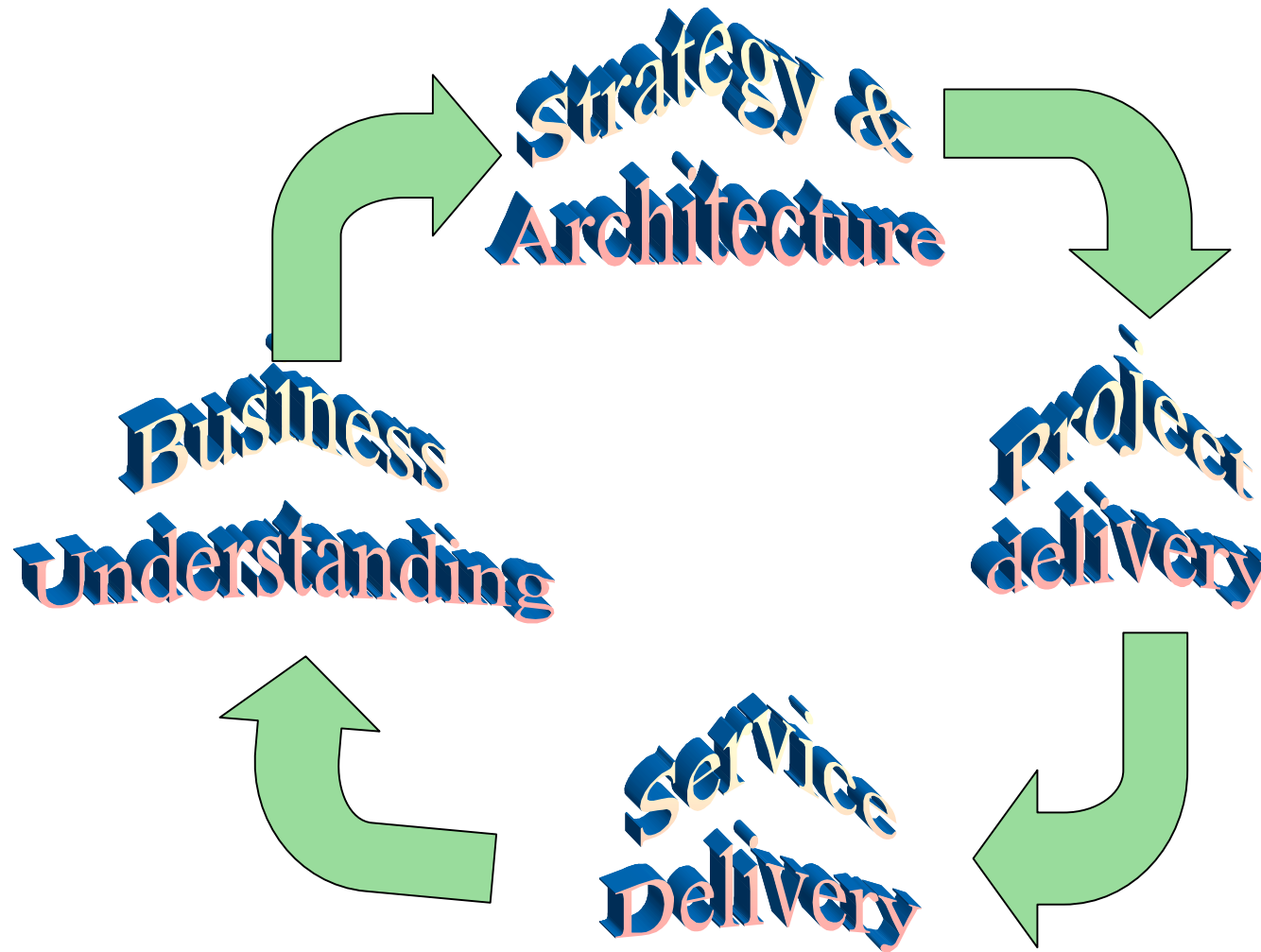
July 2008

Following the merger to create gsk, UK adopted a different approach to IT. This has resulted in:

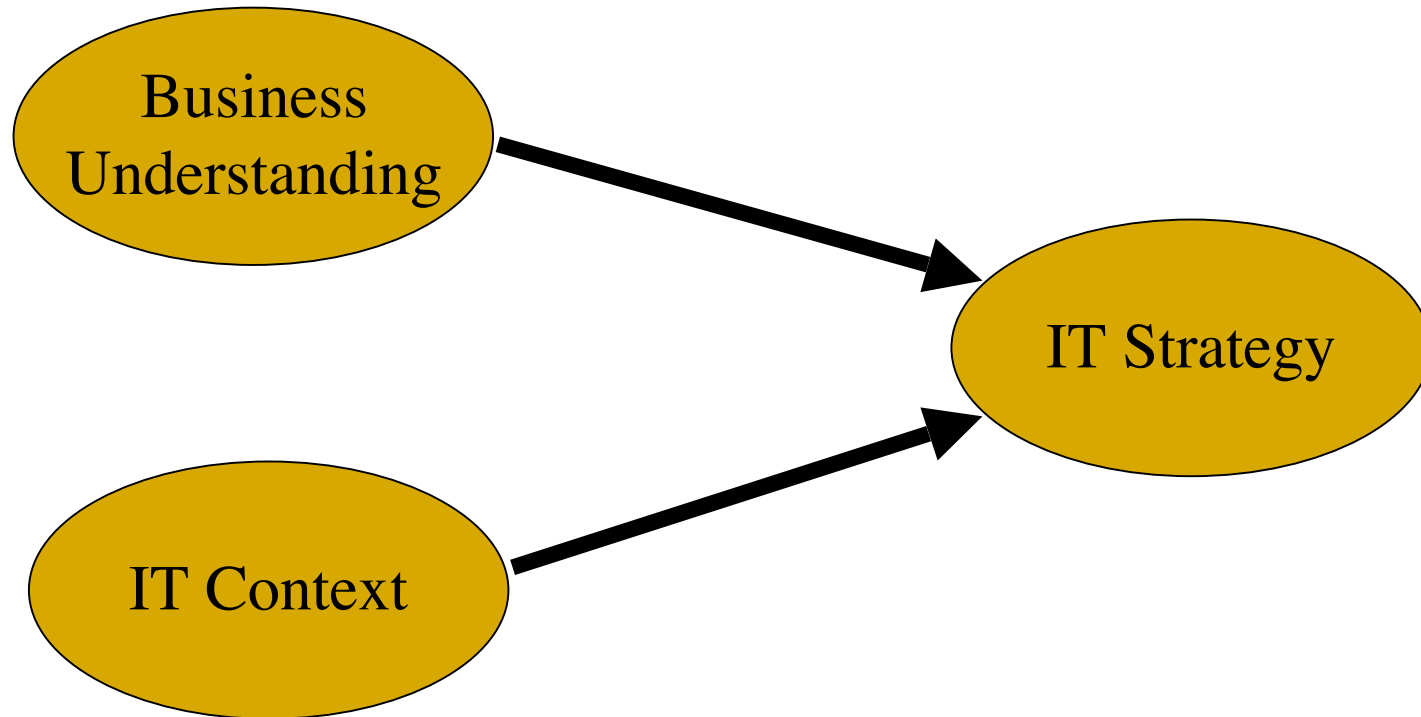
- IT recognised as contributing to large increase in sales
 - The cost of IT has been reduced by 75% – many systems removed/streamlined
 - IT recognised as integral to our business – a real partner
 - IT people can challenge business decisions and direction
 - People in IT feel part of our business and can make a real difference – not just techies
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What did we do?

Capabilities

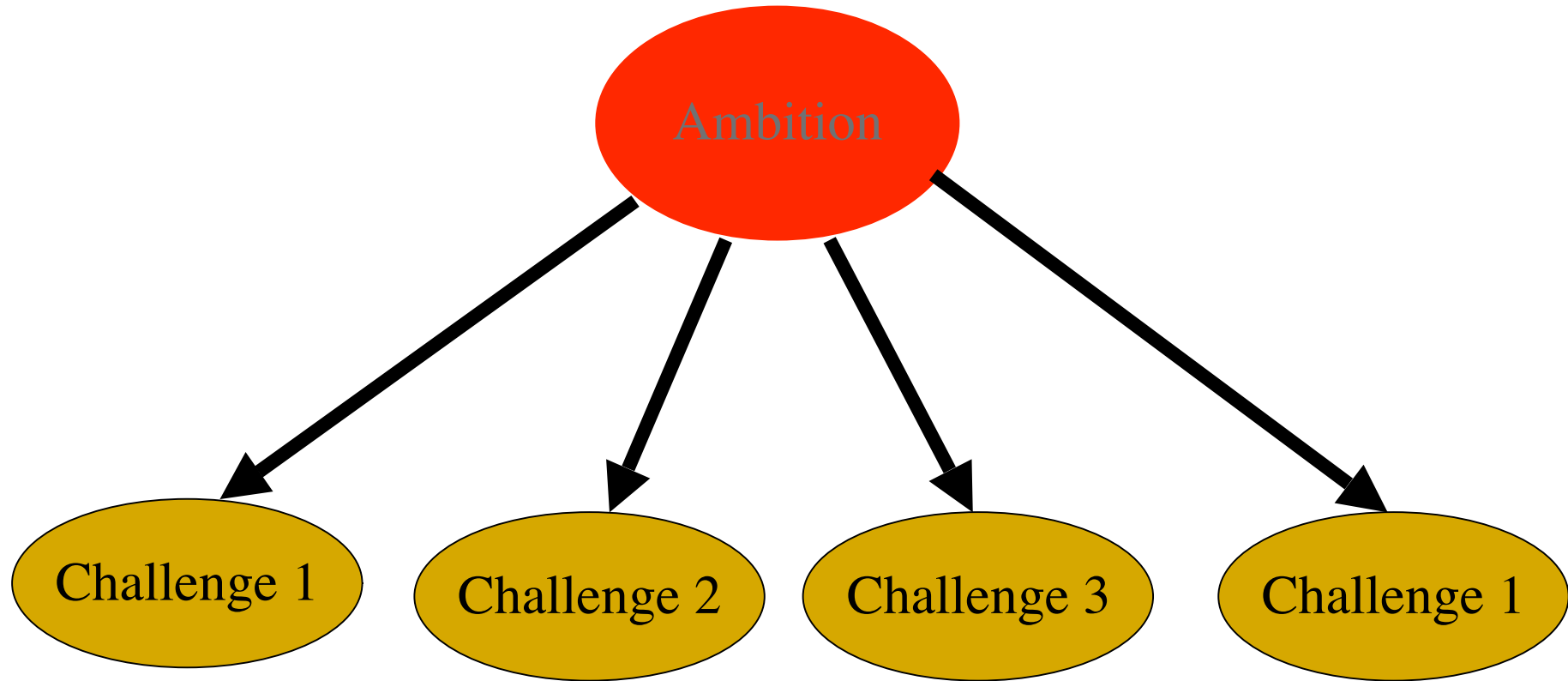


Strategy & Architecture



Architecture is what we used to think of as IT strategy

What does our IT strategy look like?



This approach exactly parallels the business strategy process

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**

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

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 e.g. 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%

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

Leaders define the environment in which people are encouraged to make their own contributions

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 can help monitor progress
 - Measurement of project progress must be seen as supportive not punitive
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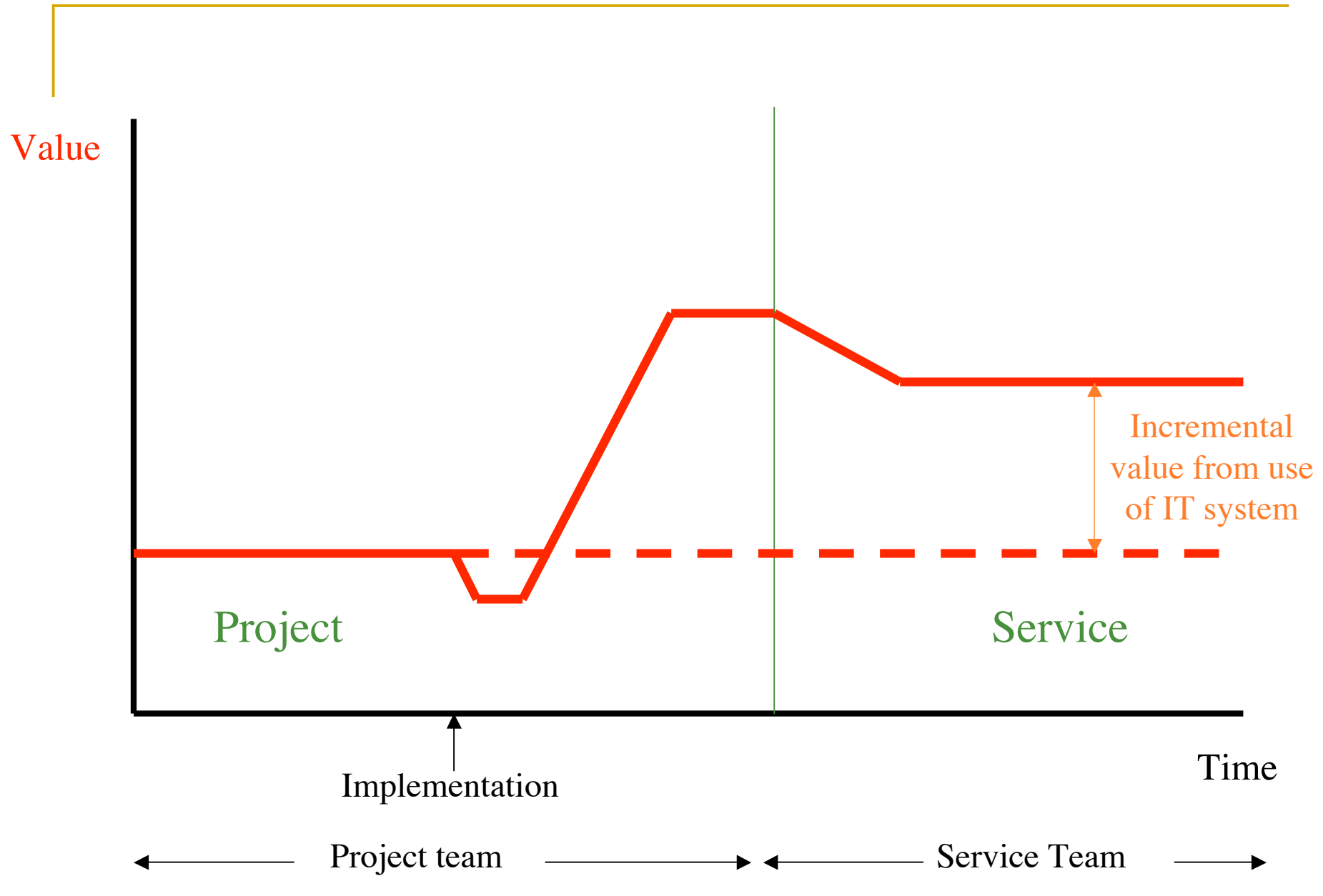
Complexity Perspective

- 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
- Projects are more about the **interaction** of people than the creation of 'things'

Leaders must recognise that projects are usually about changing a complex environment and are therefore inherently unpredictable

Service Delivery.

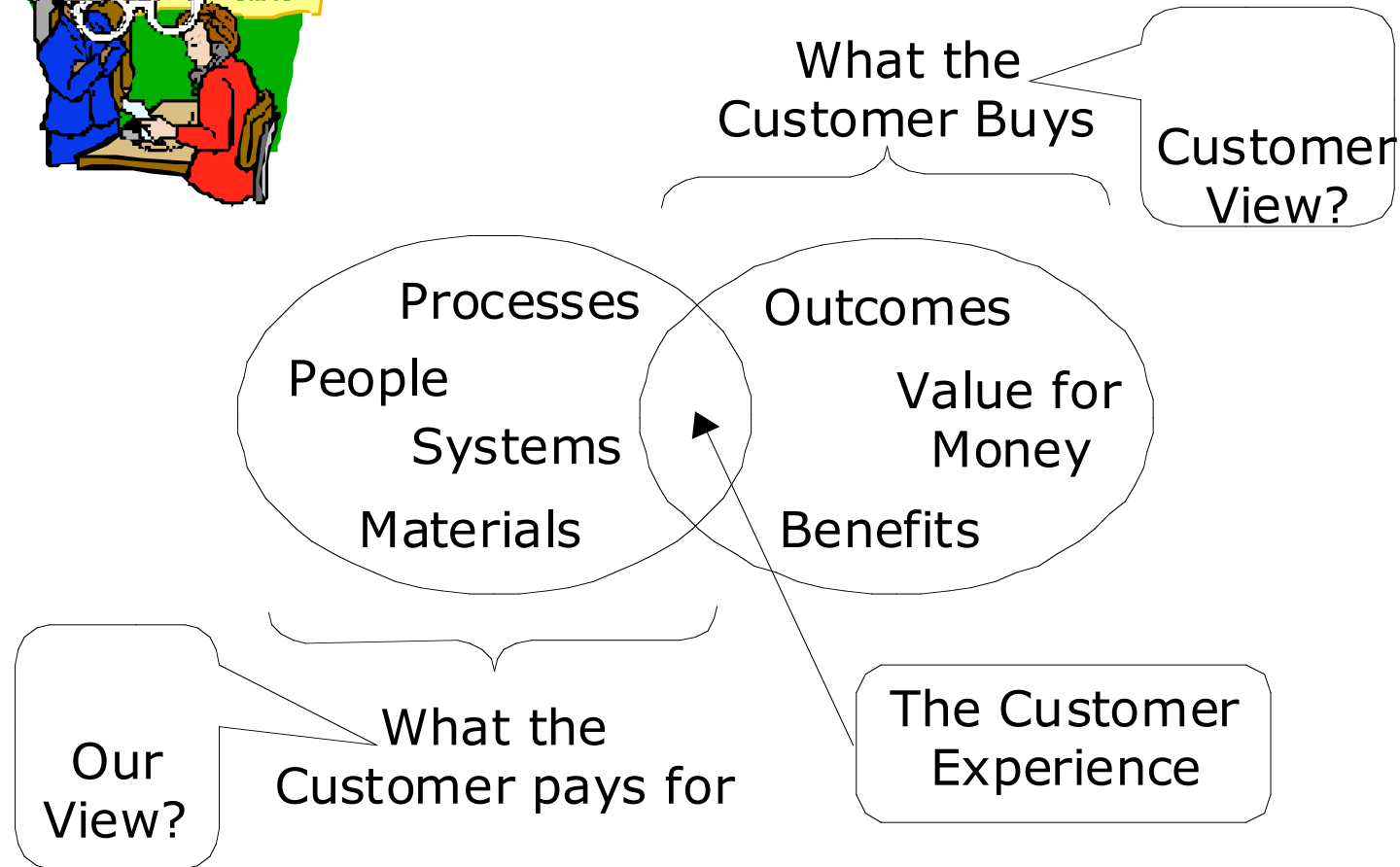
Firstly what do I mean by a
service?



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

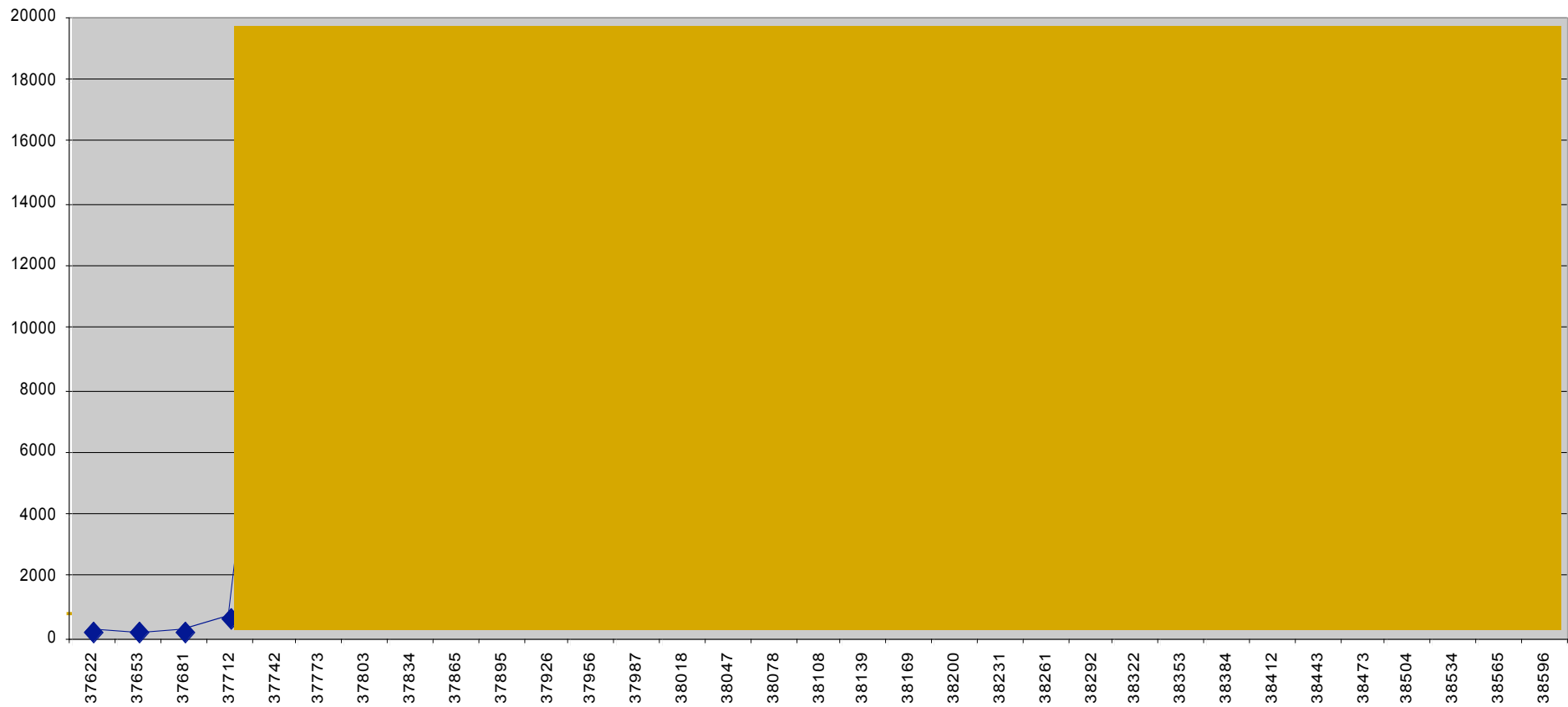
- Measures must focus on changing the value of the business process e.g.
 - % calls on target
 - No. new deals with customers
 - Up-selling and cross-selling by the Call Centre
 - Forward days stock holding
 - etc
- IT measures are secondary
 - They are important behind the scenes

Why?



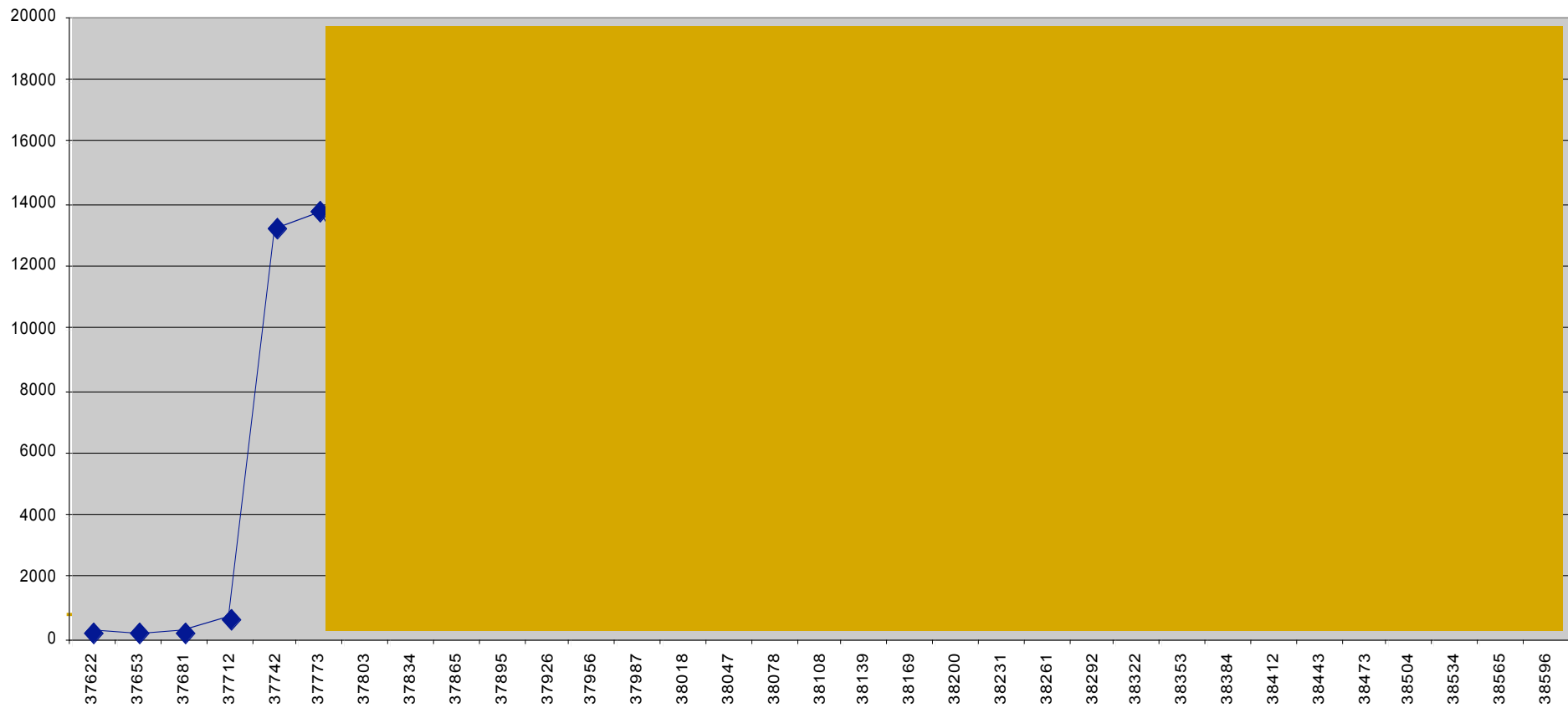
One example

Usage of Service Initiatives



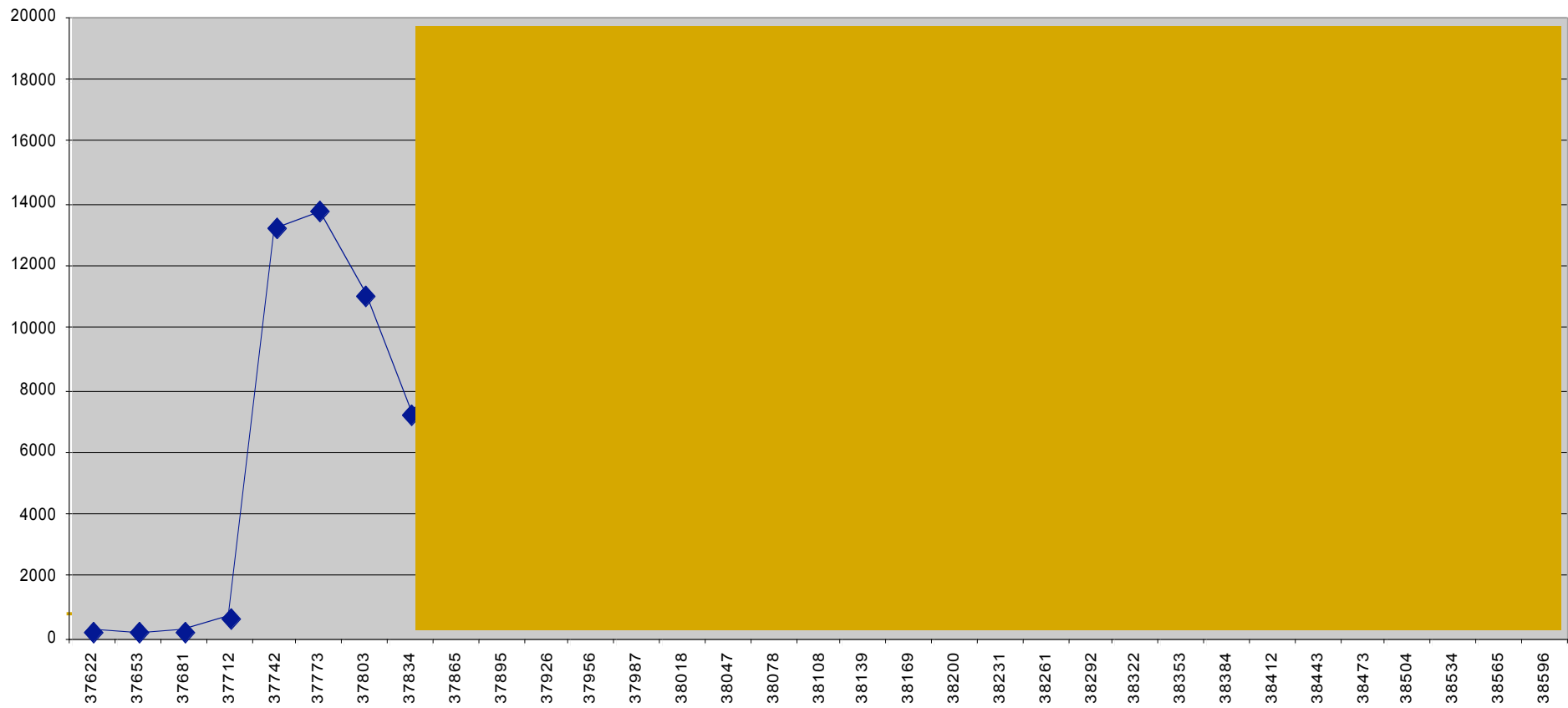
Project implemented – Success!

Usage of Service Initiatives



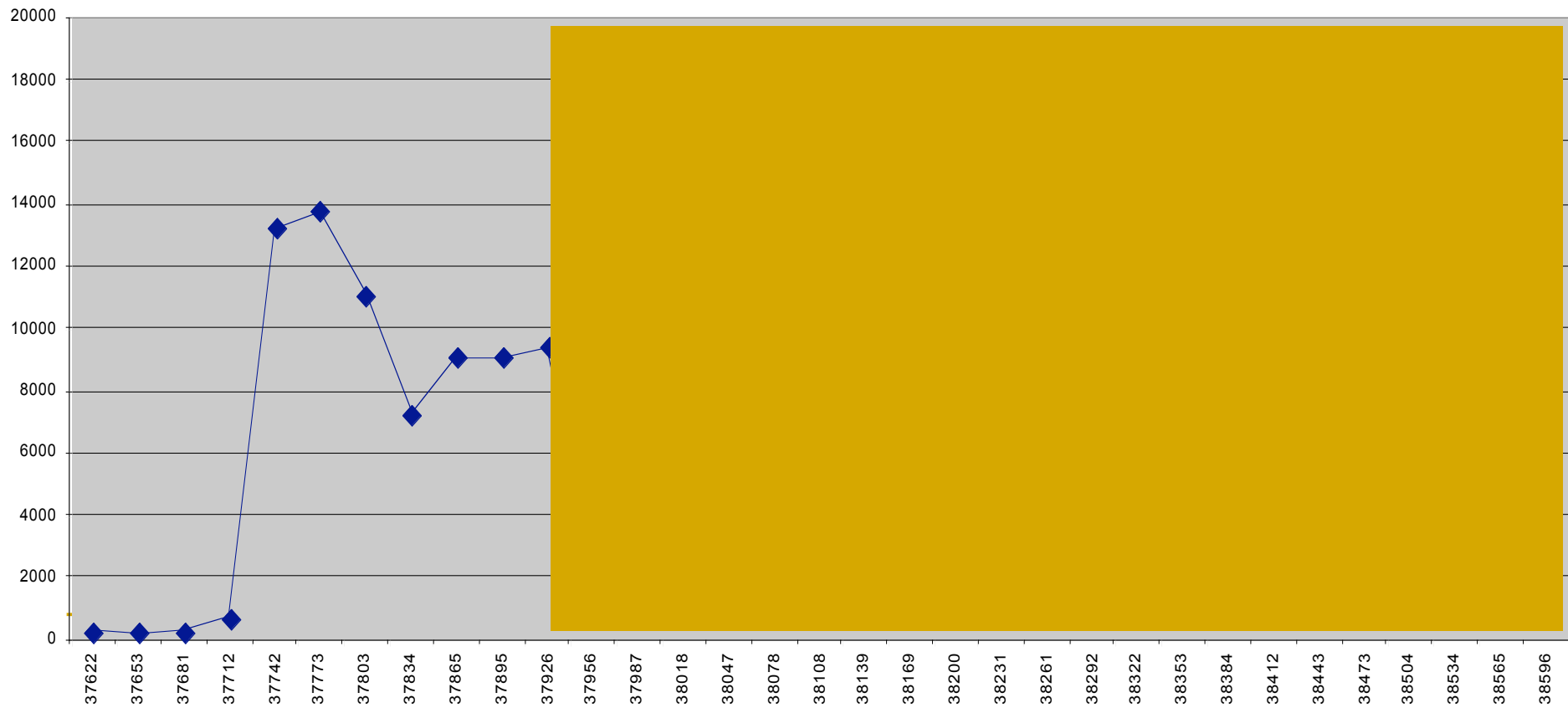
But...

Usage of Service Initiatives



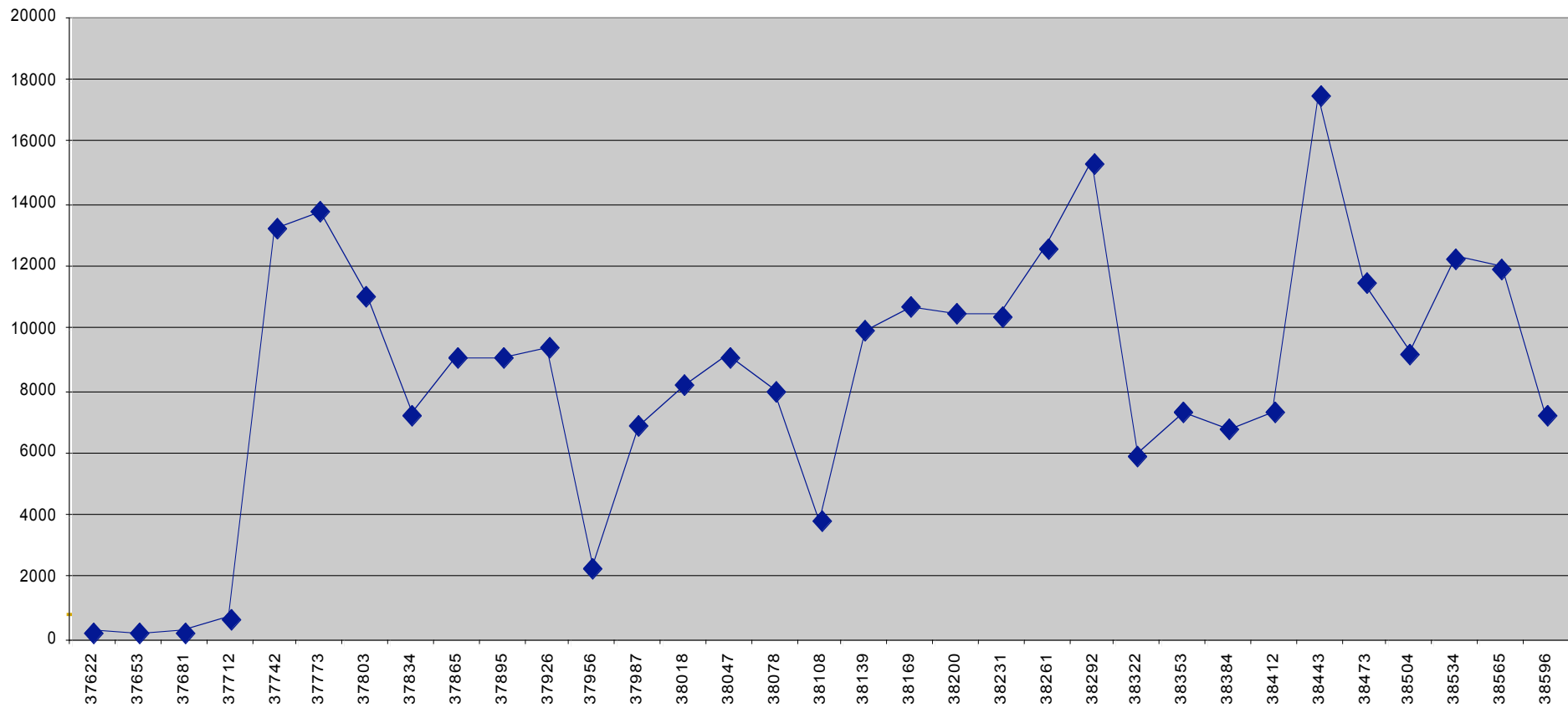
IT took action

Usage of Service Initiatives



It's an on-going process

Usage of Service Initiatives



Complexity Perspective

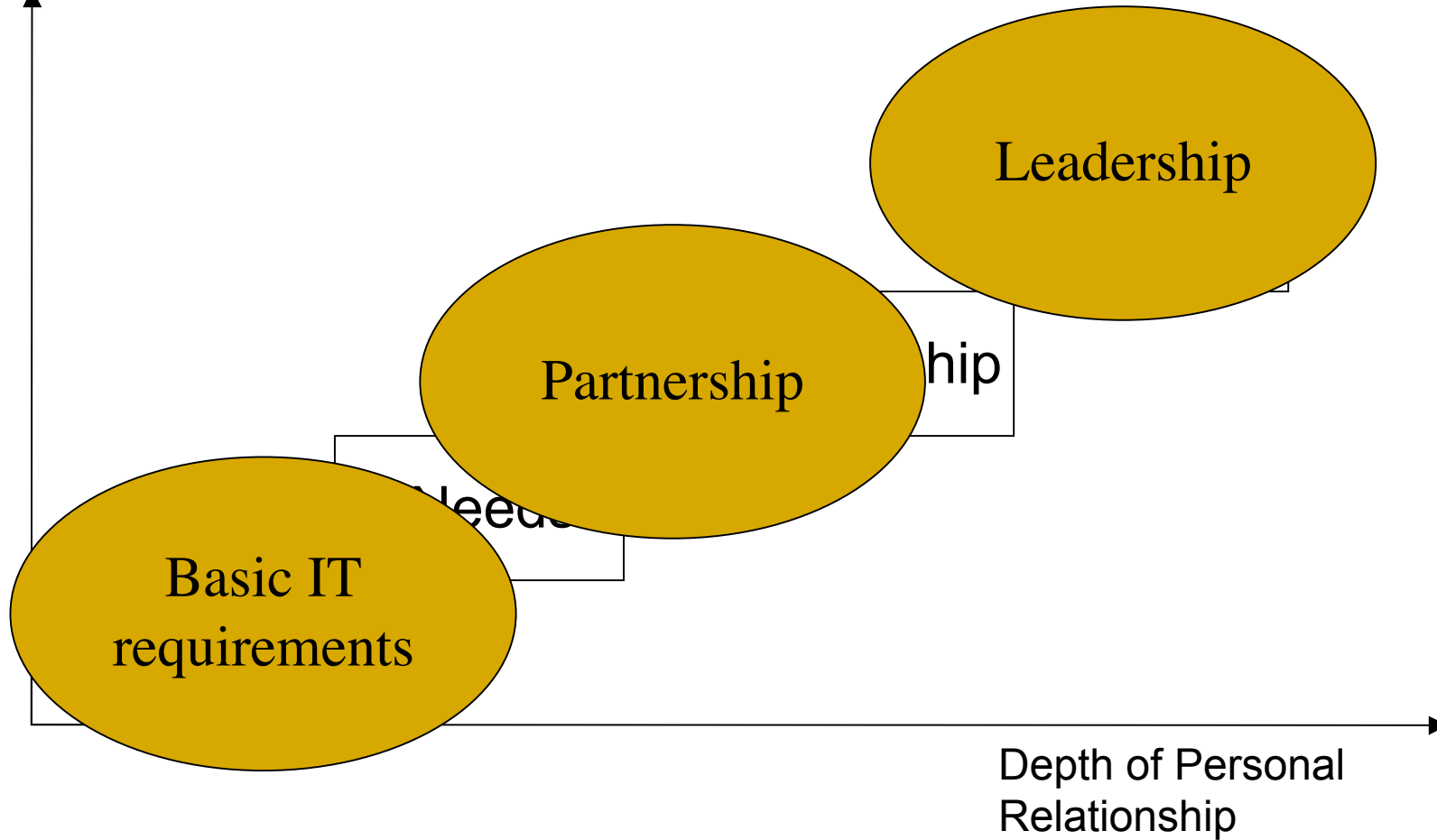
- The service boards were good examples of **co-evolution** with IT & users adjusting to the new position adopted by IT
- They also promoted **interdependence**
- Measurement can be dangerous!
 - It helps ensure that we stay within the defined landscape and allows supportive management but...
 - It also allows punitive management. This must be avoided at all costs

**Leaders support rather than punish.
They encourage people to work together**

But IT's not just about strategy,
projects and services!
And IT's not really about
technology

So what is it about?

Breadth of
Business
Understanding



...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
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In Conclusion

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

Thank you
