

STOP THINKING CIO. START THINKING BUSINESS VALUE.

Kevin Berry, Systems Director at Waitrose – a leading UK supermarket that is part of the John Lewis Partnership – talks about the benefits of CIOs taking on broader business responsibilities, supporting Waitrose's proposition in the marketplace and pushing for more radical thinking on the environment.





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Q. How can a CIO contribute most effectively to the business?

A. For me, it’s vital that the CIO continues to justify a seat on the Board; otherwise the business loses real value from its IT function. IT is relegated to a service provider and a gap develops between IT and the rest of business.

Taking on extra responsibilities that increase your involvement with the wider business can help your Boardroom status. I act as ‘Head of Branch’ for the Waitrose campus where I’m based, for example. There are 2,500 people working here in offices and distribution centres. This additional accountability means I’m the Board member who makes sure we’re providing the right facilities and the right culture in this location.

I also have responsibility for overall change programme governance within Waitrose. That’s a more typical “extra” role for a CIO.

Q. What are the benefits of being closely integrated with the business in this way?

A. There are enormous benefits. The Board operates at a strategic level whereas the change programme group that I chair determines how we implement the strategy over the next one to three years. About 75 per cent of the programmes have an IT component but I also hear about the programmes that have nothing to do with IT. It broadens my understanding of the business and IT gains a reputation for being more than just a technical function. If this role is available in an organisation and the CIO doesn’t step up to take it on then, in my opinion, he or she is missing a trick. It fits well with the CIO role and increases the value you bring to the business.

Q. What are the main challenges facing CIOs today?

A. IT is often seen as expensive. CIOs are constantly being asked to demonstrate the value of IT to the business. I don’t think other functions are scrutinised like this. I don’t see the Finance Director being asked to justify the existence of the Finance department, for example, everyone accepts that Finance is worth having.

Then there’s the fact that businesses today want to move very fast and want systems and processes to be agile and adaptable. If there is a good business opportunity, your infrastructure must be flexible enough to support it.

The third challenge relates to the reliance that most organisations now have on IT. If you build the wrong system or systems that you’ve built fail, the impact could put you out of business. It would certainly seriously dent your profits. I see my role as similar to that of a goalkeeper. If you’re an outfield player you can miss a pass, miss a shot at goal, commit a foul and it doesn’t immediately harm your team. If the goalkeeper lets in a goal, it’s pretty serious.

Q. What can you do to demonstrate value and increase agility?

A. If you’re on the Board, you’ve a good opportunity to educate the rest of the business. You can make it very clear what the costs and benefits of IT are. If you can, I believe it’s a good idea to charge out what you do – if people in the rest of the business bear the costs directly they’ll think carefully about what they spend, avoiding the unnecessary bells and whistles.

Another benefit of playing a full part on the Board is that you know the strategy and can see what’s coming down the pipeline. For example, my Board colleagues want the business to double in size in the next 5 to 10 years. They want to achieve this through expansion overseas, more shops and a range of formats. Straightaway I know we must go multi-currency if we’re going overseas. My Board colleagues don’t need to tell me very much before I can piece together the potential demands on IT.

IT can demonstrate value by helping with thought leadership in the business. Often Board members don’t fully understand what technology can do for them, especially if it’s new or emerging technology that we don’t yet have in the organisation.

However, unless you're an IT company, I don't believe the CIO should lead business strategy. In a sector like retail, it's enough that IT is closely involved in the planning of business strategy and contributes where it can.

Q. What particular challenges do you face at Waitrose?

A. One of the biggest challenges is making sure that as we double the size of the business, we don't double the size of IT. We need to achieve some economies of scale. I'm currently reorganising my function to make us fitter for the future so that as we expand, the cost of IT as a percentage of sales goes down. Waitrose's growth ambition is a great opportunity for me as well as a challenge. It gives me the chance to deliver increased value.

Another challenge is ensuring we work on the projects of most value to the business. It's easy to become distracted by today's problem or even the director who shouts the loudest.

Q. Waitrose is recognised as having an environmentally friendly approach to business. Is that an area where you feel IT, and you personally, can contribute to?

A. When it comes to the green agenda, IT can definitely contribute, as we're a big user of hardware and energy. I try to look at the environmental impacts of IT under three headings – procurement, use and disposal.

We're pretty efficient at usage. We keep kit for as long as possible, we've virtualised servers to reduce energy consumption, we've put in systems to turn PCs off at night and we've reduced paper consumption.

However, when we buy kit we've not yet been tough enough on suppliers to make things energy efficient or to make them easy to dispose of. When we issue a request for tender, we're now asking suppliers about their

green credentials. If we're buying equipment we want to know the carbon footprint of its manufacture. If the decision to buy is finely balanced then we come down in favour of the greener solution. I can use our annual meeting with our top ten suppliers as an opportunity to ask each of them what their company is doing to make the products and services we're buying from them greener.

I wonder whether, because IT is often about change and new ideas, we could push our businesses to be more radical in their thinking on the environment? There's certainly an opportunity for CIOs to take the initiative on this. It's another way of broadening your involvement in and support of the business.

Q. What have been the greatest business innovations at Waitrose in recent years?

A. Our core values are about the freshness, quality, safety and provenance of the food we sell. We also aim to provide great customer service. All our business innovations support these values.

One of the biggest projects we've delivered over the last two or three years is a brand new Point of Sale system. It's based on touch screens, so it's easy to use and easy to learn. Previously it took a couple of days to train a partner to use a till. Now we can do it in a couple of hours. Since we've installed the new system in our branches, cashiers have more time to help customers.

We've installed pick by voice into all our distribution centres to help us push goods onto the shelf more quickly. We're also putting more of our systems onto handsets, which allow people to do stock checks, price look-up and stock mark-down etc. with one touch. The handsets work off radio frequency in the shop so there's less need for partners to go off the shop floor into a back office.



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STOP TALKING START DOING

Q. What are your current plans at Waitrose and how far have you progressed with them?

A. We're very proud of our homegrown demand forecasting system, which is performing very well in our stores. I'm keen to install that into our distribution centres. If our end-to-end supply chain is humming then we'll be turning stock around even more quickly and providing that important maximum product life and freshness for the customer.

Our new Point of Sale system is a fantastic platform to build on and we'll be developing that to improve customer service, efficiency, training and so on.

We've joined up many of our systems recently, which will make a number of exciting developments possible. Unfortunately, the ideas are too commercially sensitive to make public at the moment.

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