

# STOP GOING IT ALONE. START COLLABORATING.

Fiona Capstick, Vice President, Business Process Integration – North East Europe – part of the executive leadership team that makes up the CIO function at IBM, talks about IBM's transformation journey, reducing the corporate carbon footprint and equipping executives of the future for changing roles.





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**Q.** Given your role representing North East Europe in IBM’s CIO community, what do you see as the main issues facing CIOs today?

**A.** Certainly in IBM, and many of our customers seem to agree, one of the main issues is enterprise integration – simplifying the technology environment for the business and our employees. Simplification involves implementing common processes, applications and tools throughout the organisation. From a systems point of view this means consolidating and virtualising to make the most of any spare capacity.

And with increasingly mobile workforces, we need to ensure employees have access to tools that help them work effectively, wherever they may be – at a client’s site, working from home, or on the move. We find that expectations are no longer set by what people are doing at work; they have devices like Blackberries at home and they expect them at work. Keeping on top of the pace of change in this area is a challenge that we all have to face.

**Q.** Can you give a little more detail about the particular challenges you face at IBM?

**A.** IBM is a technology company so, unlike CIOs in other sectors, we don’t have to convince our peers of the need to use IT for business benefit – almost the opposite – our challenge is balancing everyone’s desire for the latest technology with ensuring we focus on what will actually help our client teams and customers operate most effectively. And whenever we roll out a major implementation it feels as if thousands of technical experts want to give us advice on how to do the job – that’s one of the challenges CIOs in many IT companies face.

The other challenge stems from the fact that IBM is a global organisation with centralised systems. Our business systems have to run round the clock to support our clients, however we still need to maintain and upgrade them so change management needs extremely careful planning.

**Q.** Are there challenges associated with rolling out major transformation projects across different countries and cultures?

**A.** Yes, the main challenge is simplifying business processes across the global organisation. The aim is to make automating and supporting those processes as effective and efficient as possible. And for each country, it’s important to understand the legal and mandatory requirements and recognise those requirements that have come about simply because that is how people like to work. At the end of the day we don’t just want to automate all the different processes in all the different countries. That’s not what our customers are asking for. Our customers want to work with IBM in the same, or a very similar way, in every country in which they operate. Local laws and regulations don’t always allow that in absolute terms but we need to tend towards a common way of working.

**Q.** How do you see the role of the CIO evolving over the next few years?

**A.** CIOs will become even more involved in integrating business and IT; the role becomes that of a strategic business leader rather than the technologist who has traditionally held the title. This means that more people with business skills and experience come into the role. These are the skills that help CIOs keep pace with company expectations, enable them to communicate effectively with business people and understand business goals. You can’t really achieve enterprise integration unless you have a CIO bringing business and IT together.

The team I belong to in IBM is Business Transformation and IT. Its name reflects the fact that we have end-to-end responsibility for any action we take and there is a great deal of debate about the skills we need to achieve this successfully. Of course we need to understand the technology and its capabilities, but we also need to understand the business issues and how we can move the business forward.

My view is that if CIOs don't have a business transformation role today they need to think about how they're going to move in to that role. Some companies have already made that link while others haven't.

This leads to an interesting point. The skills that IBM needs to develop within its organisation, and the skills coming out of the universities, must change too. In the past, a graduate with a very straightforward computer science or maths degree would start as a programmer then develop and progress. Many CIOs started this way and have experienced a variety of roles during their career. Today, transactional work is moving to lower cost organisations. That is a business reality we are never going to step back from – so what are the formative roles of the future going to be? How do we make sure that the next set of graduates has the necessary skills? And how will people move through the roles? I'm not sure any of us have the complete answer to that yet. IBM is working with universities in the US and Europe thinking through skills requirements and also with government organisations on developing the workforce of the future.

**Q.** IBM is evolving to meet changing business demands. What stage has the company reached in its transformation?

**A.** I think we've done the "easy" part – consolidating to make the global infrastructure effective – although it didn't feel easy at the time. The next step links back to the changing role of the CIO: integrating business and IT, which we've already talked about. Every member of IBM's Business Transformation and IT team wants to support the business with relevant, intuitive technology. We aim to make it simple and explain the possibilities clearly. Increasingly we need to combine strong technical expertise with leadership skills like collaborative influence, horizontal thinking, and interpersonal and team communication.

**Q.** The need for businesses to reduce their carbon footprint is very topical at the moment. IBM is working hard to reduce the energy consumption of its data centres, what does this involve?

**A.** We've done a lot of research into the most effective way of delivering more for less and now we're achieving this through consolidation and virtualisation. We're consolidating around 3,900 servers onto about 30 mainframes – which we believe will use approximately 80 per cent less energy than the previous set up. Also the new technology that IBM has developed tends to have a lower power requirement.

Environmental impact is something that IBM has been focused on for many years. For example, we eliminated CFCs from our manufacturing processes early in the 1990s and we recycle our workstations. All environmental initiatives are regarded as very important, even something as simple as encouraging people to cycle to work if they can. The fact that we have excellent access to our systems remotely means people don't always have to come into the office, which helps cut down the number of journeys people have to make. It's seen as part of our role within the broader community to act responsibly.

**Q.** In your opinion what have been the greatest innovations at IBM in recent years?

**A.** The best innovations are the simple ones. For instance, the way people are brought together through applications like Blue Pages is one example. Blue Pages started life as little more than a telephone directory but now contains information such as peoples' skills and where they're based. If I'm looking for a particular skill, I'll search Blue Pages and find the people who may be able to help. This wouldn't be regarded as innovative in the technical sense; the innovation comes from the ability to bring people together across the globe.



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## STOP TALKING START DOING

We continue to promote the innovative use of IT to connect people and enable them to collaborate regardless of where they are, what they do or even which generation they belong to. A great example of a tool we use to do this is our Jam technology. We've been "jamming" at IBM since 2001. One great success story is Innovation Jam, an online global brainstorming session we ran. This event involved over 150,000 IBM employees, clients and even family members, exploring ideas surrounding emerging technologies and how they might be applied to business and social challenges. IBM committed \$100 million US in seed money to pursue 10 new opportunities generated by Innovation Jam. Smart healthcare payment systems and real-time translation services are two of those ideas.

We also have an internal Technology Adoption Programme, which connects 'innovators' – individuals and teams developing new tools and technologies, with early adopters who are keen to participate in emerging technology pilots. This collaboration facilitates continuous feedback, accelerates the development cycle, and builds the business case for moving the technology forward – or cancelling the project when the value proposition isn't strong enough.

Because IBM has so many employees, technology tested in this way has a very rigorous workout, for example the TAP process for Lotus Sametime 7.5 included 70,000 people who did four beta tests in three months based on all the feedback.

Innovative technology that doesn't have a useful application isn't true innovation. In IBM, innovation comes from the fact that we can turn innovative technology into something that works in practice with industrial strength.



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