

Laying the Groundwork for Tomorrow's Teams

Toyota, GE Money and Procter & Gamble are counting on their sound strategies to keep IT in synch with business requirements and to carry them into the future.

By Paul Desmond

Barbra Cooper, CIO of Toyota Motor Sales USA, had long been frustrated with the elusive alignment of IT with the business, the difficulty CIOs face in their efforts to rise in organizations, and other professional development concerns.

"I thought the operating model for corporate IT [must be] fundamentally flawed" when it came to dealing with the challenges of the next decade or two, Cooper says.

In 2006, to keep her own team on track for the future, Cooper transformed Toyota's IT structure to better meet business goals. She created an Office of the CIO that includes three major functional areas: finance, IT strategic planning, and organizational development, which includes human resource specialists dedicated to IT. She believes that if IT operates more like a traditional business unit, it can better drive change. "It's a subtle difference, perhaps, but it was important to me to start to break away" from IT being viewed as a cost center, she says.

With the new structure in place, her team is now looking at ways to help lead the business forward, such as identifying efficiencies in interdepartmental processes. Because IT crosses all business groups, it's in a good position to identify such opportunities, she says. "You have a unique lens into all the business logic."

Toyota is but one leading organization taking a fresh look at how to prepare its IT team for the years ahead. While their approaches vary, most forge a close alignment between IT and the business units and tend to have concrete programs for career advancement and leadership development. Leading IT organizations also often advocate a more challenging and interesting IT work environment as a way to keep talent flowing through the pipeline and staying at the company. Many are also taking a hard look at how they transfer knowledge among employees and train the next generation of IT staff.

Walking the Walk on Alignment

Aligning IT with business needs has been a long-time goal for most, but now companies are addressing it head-on. Ahmed

Abdelmoteleb, Chief Technology Officer for GE Money Australia and New Zealand, based in Melbourne, introduced two major changes to the IT department (CIO office) to help better align it with the business. In addition to its dedicated teams for projects, service, support, quality, communication, IT finance and IT HR, Ahmed created an Enterprise Architecture team, which is mainly responsible for tactical alignment with business strategy. Its job includes long-term technological and architectural decisions, skills development, capability and organizational readiness. The second change was for senior IT managers to become members of the departments they serve — a change that occurred over the last couple of years. Some of the departments include home lending, personal loans, insurance, credit cards and various other lines of business that collectively employ some 4,000 people in the two countries.

The senior IT execs and managers "live with the business units, attend all the business-unit meetings, and are considered part of the leadership of those business units," Ahmed says. The IT execs also participate in regular strategy sessions with GE Money Australia and New Zealand's CEO and the divisional VPs.

Toyota takes a similar approach to interspersing the IT organization within business units. In addition to the Office of the CIO, Cooper has four divisional CIOs, or DIOs, who are accountable to major business segments including: Automotive, Customer Service & Service Parts, Business Support Services, and Dealers & Affiliates. A central enterprise services group provides infrastructure, design, engineering and operations services to all the DIOs, who, in turn, are accountable for developing applications and supporting their respective business units. They're also responsible for the operation and performance of IT services, including those that are outsourced to the enterprise services group, Cooper says.

This structure balances business needs with "maintaining certain elements of standardization that are necessary to keep costs down" and reducing redundant functions, according to the Toyota CIO.



Grooming New Leaders

Beyond organizational changes, IT executives require training in additional skills, and young workers need to be groomed for leadership roles. That's why, two years ago, when Procter & Gamble overhauled the career model for the company's IT group, known as Information Decisions Solutions (IDS), it created an Executive Development Program aimed at training the next generation of IDS leaders. The program largely falls to Tim Massa, Director of HR for the Global Business Services and IDS group — which means he is part of the IT group, reporting directly to the CIO.

"We provide an accelerated mentoring and sponsorship program where [candidates] connect with leaders outside of IT," Massa says. Roughly 8 percent to 10 percent of the 3,000 IDS employees worldwide get nominated to participate in the program. "Not everyone will make it, and we're clear on that," he says, "but we want to provide opportunities for the best of the best," to quickly learn and grow.

GE Money Australia has two IT leadership development programs. The first, called the Information Management Leadership Program (IMLP), grooms junior employees over a two-year period. The GE global leadership training offers talented university graduates the ability to rotate among GE's IT groups, including at least one rotation in another country. The IMLP typically covers four six-month assignments through one of GE's major business units. Included are: on-the-job training in various technologies; formal in-class coursework in advanced information technology concepts, finance, leadership and business skills; extensive peer networking in more than 50 countries, and exposure to senior IT and business leaders. "At the end of two years, they apply for available roles" in IT, Ahmed says. The second program is an advanced leadership development program aimed at preparing senior IT leaders for executive roles.

IT employees can also take advantage of the training that the parent corporation provides to all employees or choose from different streams of IT disciplines such as engineering, technical management and general management. As a result of the program, "we know whom we want to bring into the organization, what resources we have, and where these resources will be going in the future," Ahmed says.

GE Money Australia also wants to better use its talent for innovation, and not for routine processes. To work smarter and do more with the current IT staff of approximately 300 employees and contractors, the company is piloting a program to automate many routine IT jobs in service provisioning and management. When a new employee joins the company, for example, the "on-boarding" process is automated using the Service Catalog and other IT systems. As a result, IT personnel are able to handle more challenging, strategic jobs that lead to greater alignment and

realization of business strategy. Ultimately, this leads to greater staff satisfaction and, therefore, retention, as well.

At Toyota, communicating IT's goals to the team was key to Cooper's management style and the culture she wanted to create. She held individual 90-minute meetings with each of her 25 managers to outline her ideas for the new IT direction. She described what success would look like, explained what she thought each manager's strengths and weaknesses were with respect to the plan, and let them ask questions. Afterward, she wrote each manager a personal letter outlining the discussion — a process that took about two hours per letter.

Cooper says she had never spent so much time on any other employee development project but believed the investment was worthwhile. In particular, she wanted to reset expectations among middle management, who will ultimately either block or enable the change. By setting a new baseline and model, and spelling out expectations with customized plans for each manager, Cooper says she got "a lot of traction. It worked."

Knowledge Transfer

Cooper is now attempting to tackle another tough IT problem: knowledge transfer. She says that keeping intellectual property within an organization is a fundamental requirement, given the constantly changing nature of IT and the high turnover rates.

To address the issue, Toyota is using collaboration tools, such as wikis, to create a series of e-learning modules that capture knowledge from subject-matter experts and let the modules be consistently updated as necessary. With this in place, new staff can quickly grasp at least some of the intricacies of the job, Cooper says.

Procter and Gamble is continually looking at tools that capture and catalog job-specific information as well. "Collaboration is key to keeping that information and experience alive," Massa says. Given P&G's size and resources, it has an established corporate program to enable employees to connect with counterparts around the globe. On-line collaboration tools and the launch of a global network of video collaboration studios are both part of this program.

At GE Money, Ahmed says employees often fall into two categories when it comes to knowledge-sharing: those who take pride in leading technology initiatives and transferring and sharing the knowledge with others, and those who hoard knowledge and keep it to themselves. He believes that transparency is critical to innovation, and therefore, is "building an environment and culture that is enabled by processes, tools and people that endorses knowledge-sharing and teamwork. This allows us to lead rather than follow."

An Ongoing Journey

Nurturing and training future IT leaders, of course, is a job that's

never finished. Ahmed has seen promising results so far from his service-management strategy, which has been partially implemented in Australia and New Zealand. Once complete, he would like to see it adopted globally if it can be adapted successfully in the more than 55 countries and cultures in which the company operates.

Looking back on what she's learned over her 30-plus-year career, Toyota's Cooper says IT must anticipate business requirements and lead rather than follow the trends.

With IT's constant operational demands, it's easy to say there's never time for planning or training, Cooper says, but that's a poor excuse. "If I'm leaving anything for the generation of executives who are going to succeed me, it's hopefully that you can't ever just stop" training your workforce or addressing their career development. For Cooper, that's time well spent.

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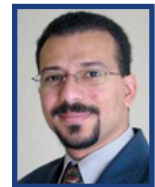
Barbra Cooper is responsible for the strategy, development and operation of all systems and technology at Toyota. Cooper also heads the University of Toyota, located in Torrance, Calif., which provides training and education for company associates, as well as Toyota and Lexus dealerships and distributors globally.

Cooper's career spans more than 30 years in information technology, and she joined Toyota in 1996 as a Vice President in information systems. She has also held the positions of Group Vice President and CIO for MicroAge Corp., CIO for Maricopa County in Phoenix, Ariz., Vice President of Technology for American Express, and Director of Information Systems for Miller & Paine department stores.

Cooper attended the University of Oslo in Oslo, Norway, for her graduate

studies program. She is a member of the Society for Information Management, Organization of Women Executives, the Corporate Executive Board for Chief Information Officers, the UCLA IS Associate Program and the CIO Leadership Network. She also serves on the University of Nebraska JD Edwards Honors Program Corporate Advisory Board.

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Ahmed has served as CTO for GE Money, Australia and New Zealand since 2007. He is in charge of regional enterprise technology, strategy and innovation. Ahmed joined GE in 2003 as the Senior Information Security Risk Analyst in charge of all security aspects of acquisitions and integrations and then was named Global Infrastructure Manager at GE headquarters in the U.S., where he was responsible for the global communications network across 48 countries.

Prior to GE, Ahmed ran a P&L security engineering practice for a large solution integrator.

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Massa manages a global network of more than 40 HR professionals who support 7,000 employees in the P&G Global Business Services and Information Technology areas of P&G.

Massa joined P&G in 1989 and holds a BA from the University of Dayton, Ohio. Among his roles, Massa served as P&G's Associate Director, Central Europe North, in Poland and the Baltic states, based in Warsaw, Poland.