

Agility is Still the "New" Buzzword

By [Pam Baker](#)

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March 26, 2008: Okay, okay, so you've heard it before, but agility is a term that carries serious weight at some of the country's biggest and most successful companies.

In the Information Age, collecting information alone is not enough; it's what you do with that information that counts. In a trend marked by urgency, if not downright panic, investors and CEOs are looking to CIOs to figure out how information can be used to speed extra cash to bleeding company coffers in the midst of a hemorrhaging economy.

This change from an emphasis on programming to strategizing and tactical implementation is a more logical leap than it might first appear. In a nutshell, it's a matter of leveraging, rather than simply managing, information.

Insurance giant Aflac amassed "a plethora of data from processing and batching information," which, said Bahija Noell, Aflac's VP of IT Business Partnership Management, was of value to sales and marketing but wasn't used for much outside those roles. The previously disjointed data is now linked and analyzed to enable the company to aggressively push sales beyond former limits and identify advantages for other company functions as well.

Aflac's IT group is now able to provide "previously untapped information that can contribute directly to the businesses bottom-line."

Strategic use of that new information can lead to a new corporate agility, the likes of which have only previously been seen among start-ups. "This is what I see as vital in today's model," said Proctor & Gamble's CIO, Filippo Passerini. "The ability to stay nimble so we can respond fast to business challenges and proactively seek business opportunities is an incredibly powerful tool."

One example of P&G's newfound organizational dexterity is evident in its 2005 acquisition of Gillette. The \$US 57 billion deal made P&G the largest consumer good manufacturing company in the world with more than 300 brands. At the time, P&G saw synergy savings of \$1.2B per year, which

translated to \$100M per month, or \$4M per day. With help from key partners, the company was able to put a first class team in place in “a matter of weeks” and complete the integration in just 15 months.

“This process would easily have taken three to four years under a more conventional set-up,” he noted.

Yet, changing over to more nimble footing is still a foreign concept to many corporations who seem stuck in the ways of old. “Unfortunately, problem solving beyond the status quo is rare,” bemoans Jim Holt, strategic business consultant at Goodyear Tire & Rubber Co. “How can you enable fundamental change for market impact with a habitual discipline of out-of-date or out-of-touch strategy download?”

The answer? Old habits die hard—especially when they have been in practice for generations. Thus, instilling fleet-footedness into a heavy-booted corporation requires more than just redefining the role of the CIO.

“The top management team must be custom built,” advises Johnny Daugaard, chief executive officer of TIGAS Holding in Denmark. “There is absolutely no reason to build the traditional seven (person) top management group if five is more efficient or if 10 is required.”

It also requires a more sophisticated view of IT by the CEO and the board of directors.

“Being a CIO is a leadership role. It requires leadership qualities. Being IT manager is an operational role,” explains Daugaard. “Unfortunately many organizations still believe these two roles are the same. They hide the IT department as a sub-function to the CFO.”

“Many companies will eventually learn the hard way,” he said.

Disruptive Days

Business models in previous decades have essentially fallen into two categories: entrepreneurial and corporate. The first group traditionally possessed the vision and agility. The second had all the cash and clout. Both succeeded by hammering with their respective strengths. At the end of the day, corporate bought vision from the entrepreneur group which subsequently walked away with a big chunk of cash and all of the agility.

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Certainly, that proven two-step dance is still on the floor, but with an added new twist: corporate is adapting and agility is now its new battle cry. To gain traction, the CIO is taking the lead and new IT roles are being added to the

line. "Specialized technology professionals are a big commodity," said Noell as corporate looks for people who can envision, as well as program.

The change in both the CIO's role and the IT support staff is not surprising if the goal is to move the entire force from reactive to proactive, to build an adept group focused on finding multiple competitive edges that slice into the market status quo. "Fundamental disruptive changes come from seeing the same world everyone else sees, but differently," said Holt. "And the list of differences is now found in categories that are growing exponentially."

Much of the information needed to revamp business is already at the fingertips of CIOs—hidden in the silos and databases of dozens of disparate technologies. However, it is merely a collection of disjointed data if the CIO cannot pull it together in meaningful, useable ways.

"Developing strong business relationships and ensuring that IT products and services not only hit the mark but stay ahead of the business is both a rewarding and challenging experience," admits Aflac's CIO, Gerald Shields. "Being a good partner to the Aflac business leadership means that IT had to shift from being an order taker to that of a trusted advisor."

Where it All Leads

While this all sounds well and good, is the term "agility" just another useless, soon-to-be-replaced buzzword? No, said P&G's Passerini. To him, at least, it's a certifiable movement.

"In five years, I want P&G's Global Business Services organization to be delivering an ever stronger foundation for P&G business growth: driving business transformation and working as the 'go to' organization for all wicked problems.

"This means designing ourselves for simplicity so that, together with our partners, we can 'flow to the work' and respond to emerging priorities," adds Passerini. The concept of "flow to the work" means using flexible processes to fluidly respond to the work at hand as opposed to fitting the work into the existing, and oft-times rigid, processes.

Committed agility is part of his overall strategy. The result, predicts Passerini, will be a profound change in the very nature of business.

"I see us focusing less and less on roles and more and more on results as, at the end of the day, it's the results that matter most."