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Aflac CIO Jim Lester on I.T. Strategy

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By Pam Baker
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"I think the complexity of technology has increased and will continue to do so," said Aflac CIO Jim Lester seven years ago, there was a lot of flux in Internet architecture that now calls for a period of consolidation.

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As Senior Vice President and CIO, Jim Lester oversees I.T. strategic planning and management for [Aflac](#), a leading insurance company in the United States and Japan. Worldwide, the company insures more than 40 million people.

For the last five consecutive years, Aflac has made the cut in Forbes magazine's 400 List of America's Best Big Companies and in Fortune magazine's listing of Most Admired Companies. Even so, most people are more familiar with the company, known on Wall Street as AFL, through the entertaining antics of Jim Lester seen in television commercials placed in some of the world's most exclusive and expensive network time slots.

But Lester is far more than just the head of one of the world's most impressive IT departments in one of the world's most respected insurance companies. He is the architect of the company's legacy system, SmartApp, noted as one of the harbingers of automation and customer relationship management long before those buzzwords. Now SmartApp Next Generation (SNG) is slated for an aggressive rollout later this year.

Prior to Aflac, Lester founded his own software company that developed artificial intelligence insurance systems for 20 years. Before launching his own company, Lester managed software and managed corporate information technology organizations for Scientific-Atlanta. He has served on the Governor's Georgia Technology board since 2000 and as chairman since 2002. Recently, he was reappointed by Georgia Governor Sonny Perdue.

Lester spoke exclusively with CIO Today about the challenges I.T. leaders face in the current business climate. Despite his humble mannerisms and soft Southern drawl,

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competitor who helps forge the very edge most of his peers merely seek to

CIO Today: What are your top concerns as CIO?

Lester: In essence, there are three main concerns. The first is to deliver v solutions in line and in sync with the needs of our customers. I don't believe technology for the sake of technology; the solutions must actually deliver v security is always on my mind as a major issue. Fortunately, Aflac has nev security breach, but you always want to stay alert on that front.

Thirdly, to keep my I.T. workforce effective by keeping employee morale h Outsourcing is not a panacea -- in fact many very large companies are rett one. The value is, and always was, in [customer service](#) and quality.

If you are to maintain quality and truly develop leading edge technologies, your own specialists; you need loyalty and dedication. The value is in the c the hourly pay. Maybe in some sunset applications, outsourcing makes ser could also cost you in terms of employee morale and production.

CIO Today: Has the I.T. environment changed from five years ago?

Lester: I think the complexity of technology has increased significantly -- and will continue to do so. Five to seven years ago, there was a lot of flux in Internet technology. There was a great deal of uncertainty about browse and a whole host of related technologies. That uncertainty has since been : with implications on architecture that now calls for a period of consolidation

And it's important what and how we proceed with that consolidation of tech

There is this huge buffet of complex technologies to choose from and we n that line and pick what we want and then merge that with legacy systems meal is more fine dining than pot-luck.

CIO Today: How have new legislative demands affected the I.T. departme in particular?

Lester: We have had to add significantly to our staff to comply with regula Sarbanes-Oxley, HIPPA and California Privacy Requirements. But a more r about new exposure to legislative consequences over companies like Choic Lexus Nexus losing control of their customers' private information.

We do a great job protecting our customers from ID and other thefts -- we not looking forward to legislation that could place further cost burdens on ; already competently addressing.

CIO Today: Which enterprise component or technology will be growing m its slice of your company's budget pie in the next 12 months?

Lester: We spend a lot on business process automation, analytics and in r -- especially in exposing these same processes via Internet portals to our c are very interested in faster product rollout to our sales force and are mov automation to the 90 percent level. Most of that will be applied to our prop SmartApp Next Generation aggressive rollout later this year.

CIO Today: Can you walk us through the decision-making process of impl large-scale business process management initiative?

Lester: Sure. We have an I.T. governance and pricing methodology that t six to seven years to perfect, but now that we have, we do not stray from First, the business unit sponsoring the product provides a brief, usually onl pages long, to I.T. and admin. If it passes that preliminary stage, then a r presentation is made to the I.T. steering committee in what we call Gate 1 designed to help us understand cost, ROI 🗣️, time constraints, interaction units, that sort of thing.

In Gate 2, all the requirements are developed and we get the final word or benefits. At that point, the steering committee decides to continue or to ki back for restudy. If the idea or product passes that gate, then we move fo design, development and implementation also through a series of well-defi

The final gate, Gate 6, is conducted 6 months after implementation to eval

CIO Today: What are one or two software or hardware products your com you would describe as "outstanding?"

Lester: Well, our legacy system SmartApp, certainly. It has won numerou performs exceedingly well for us. But I would also say Lombardi software, for business process automations, and the business intelligence software w Business Objects. That software is particularly noteworthy, the BI I mean, allows us to use browsers to get at the data and it is just a very impressive around.

On the hardware side, we are proud of and happy with our IBM mainframe Microsoft and Compaq servers.

CIO Today: Which emerging technology do you see as most important to

Lester: I don't think all that much is emerging now. It's more a matter to products effectively than watching something new coming from a far off hc

WiMAX isn't what I would call emerging, but it is developing. I'm not overly it at this point. But I will be if there is some major convergence between n forms of PDAs and cell phones and Microsoft. We have a far-flung sales for get very excited about the ability to tie everything together.

SOAs, or service oriented architectures, to uniform underlying legacy progr interest to me. It is difficult to replace legacy systems and so much better them.

We are also looking into automotive telematics in a program we're calling ' Anywhere.' Essentially, the idea is to create an automobile WiFi center wh stays in touch with the car, and the car communicates with the company.

That might be a natural fit for SmartApp. Our sales reps often have to go t manufacturing plants to sign up a large number of employees on one of ou plans and they need a mobile office to efficiently get that done. Cars fitted telematics may be an effective fix.

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