



CIO Issues

Procter & Gamble CIO Filippo Passerini on Global Business

By Pam Baker

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"The I.T. environment is completely different today" as opposed to five years ago, said Filippo Passerini. "Much more exciting! I think it's a much more dynamic area than it once was because I.T. is no longer just about technology and innovation. Increasingly, it's about business strategies, goals, and needs."

➤Technically, Filippo Passerini is CIO and Global Services Officer of Procter & Gamble, but that hardly begins to describe his role there, much less his emerging responsibilities.

P&G's acquisition on September 30 of former competitor Gillette, valued at \$57 billion, made P&G the largest consumer goods manufacturing company in the world with more than 300 brands—21 of which are "Billion Dollar Brands," meaning annual sales topping the billion-dollar

mark.

Passerini heads P&G's largest business unit, Global Business Services and Information Technology. Established in 1999, GBS is a shared-services organization providing key business support and solutions to 140,000 employees in 86 countries.

This year Passerini expanded GBS to include P&G's information technology department. Under his leadership, I.T. has been reorganized, refocused, and renamed Information & Decision Solutions.

GBS has been recognized for three consecutive years as one of the Ten Most Admired Shared Services Organizations, as determined by the members of the Shared Services and Outsourcing Network, and is considered best-in-class in the industry for its strategic partnerships.

A native of Italy, where he earned his doctorate in statistics and operating research at the University of Rome, Passerini joined P&G in 1981 and has since held a series of leadership positions in the UK, Greece, Italy, the U.S., Latin America, and Turkey before taking over GBS in 2003. He oversees more than 70 global business services and three key business partnerships.

It is fair to say Passerini relishes challenges. He has scaled three peaks of over 15,000 feet, including Mont Blanc, the highest mountain in Western Europe, and Mount Ararat, the highest mountain in Turkey.

He spoke with CIO Today about scaling the heights of I.T. at P&G. He comes across as mesmerizing, open, relaxed, and sophisticated, a true world citizen equally at home anywhere on the globe. Passerini attributes his business and personal style to a lesson learned while playing competitive chess as a teenager: "You can think and anticipate as much as you want, but you can only think so long, because the clock is ticking."

CIO Today: What are your top concerns as CIO?

Passerini: I don't know that I would call them 'concerns,' but there are three key areas that I see as critical for ongoing success and thus

demand focused attention.

My first focus area is people. No technology or innovation can replace the power of motivated, energized leaders. And I see every employee as a leader. It's key that employees are kept informed about goals and strategies; that they understand their role in bringing those to life; and that they are not only part of the solutions, but also part of the 'wins' when success is achieved.

The second is on ensuring that I.T. remains in touch and aligned with business goals so that we can maximize our impact on the business, advancing business goals and helping secure competitive advantage.

And the third is on maintaining a focus, personally and throughout the organization, on the big ideas.

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

Passerini: Absolutely. The I.T. environment is completely different today. Much more exciting! I think it's a much more dynamic area than it once was because I.T. is no longer just about technology and innovation. Increasingly, it's about business strategies, goals, and needs.

When today's I.T. professional becomes integral to the business team, the possibilities prove endless because they leverage each other's strengths to maximize results. These benefits are immediately apparent and we've only begun to tap the potential.

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

Passerini: P&G has always maintained rigorous and thorough self-assessment processes. With the new legislation, we have added another rather large layer of work to this already detailed process, which does have a direct impact on my job.

As head of both I.T. and our shared-services organization, I am required to personally sign off on 2,000 Control Self-Assessments. In order to do that, I need to have a very detailed understanding of what is happening, meaning that each area must supply in-depth reports and

updates. And I need to be on top of them.

Still, as demanding as it is, it also helps us and our partners be better organized than we were. It is always good to have rigor and discipline.

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

Passerini: Our I.T. teams are working with our business units on several key projects that have the potential to deliver breakthrough business results in the coming months and years. Simultaneously, we are working internally on new technology that will make our employees more efficient, effective, and better connected to each other, our outside partners, customers, and consumers.

I can't discuss details, but I can tell you that we are focused on building better one-on-one connections to foster better understanding and ultimately better products and results, and on accelerating decision-making, analysis, and responsiveness.

But in the way of a broad-brush example of what we are investing in: We are trying to connect all the dots in our many touch points. In regard to consumers, for example, we are trying very hard to be more personal in our interactions and to draw together the consumer experience from the call centers to Web portals to service centers and store encounters.

This means leveraging processes like customer-relationship management and business-process management, among others, and using the applications in totally new and integrated ways. We are working on similar goals with our interactions with customers, suppliers, shareholders, and all groups we come in contact with. Success still lies in the one-on-one, personal interchange.

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

Passerini: Our first step is always to determine the business need. At an upper management level, we work with leadership through strategic engagement sessions to match what's needed in the business with what's possible through technology. In addition, nearly half of our 2,300 I.T. professions work directly with the business units, so each has a finger on the pulse of that area's plans and needs.

Once we identify which areas carry the most significant potential, we move into the innovation process. Here we have a very disciplined approach to prototyping, design, and qualification. We might pilot an initiative within a specific unit, or area of the world. And where we see real value, we will plan for large-scale rollout. Speed typically is very important, so we work to scale up as quickly as possible.

We also have a disciplined process for launch readiness and commercialization and can leverage the integration of I.T. with our shared-service organization, GBS, to facilitate quick implementation and adoption.

CIO Today: What are one or two software or hardware products your company uses that you would describe as outstanding?

Passerini: I would have to say SAP. It has allowed us to integrate nearly all key aspects of how we run the business—from finance and accounting to making products to paying employees. This integrated platform enables us to bring new acquisitions like Gillette on board very quickly.

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

Passerini: Our teams never stop looking for new opportunities that might impact or advance the business. Currently, we are working in a number of different areas that all have the potential to deliver tremendous value.

In particular, the area of mobile devices has great interest for us as advancements could facilitate the one-to-one connection we see as so valuable with our customers, consumers, partners, and employees.

We are working closely with end-user computing tools as it can advance our goal of providing seamless integration and connectivity for our employees, increasing efficiency, collaboration, and productivity. And we are working with virtual-reality technology to gauge its business potential and application.

We also are looking at an array of bleeding-edge technology and assessing its potential business relevance. Always, we are working on

upstream technology and application opportunities to push the envelope on what's possible.

CIO Today: Where do you go to do your research on new technologies?

Passerini: We tap a number of sources during our preliminary research phases to gather information, understanding, and potential user experience.

We contact our strategic partners Hewlett-Packard and IBM and our strategic vendors. We also work with several industry groups, noncompeting businesses of similar size and scope, and industry thought leaders in universities and research labs.

