

Enterprise CIO Decisions

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Enterprise CIOs are creating new services, generating opportunities for new business and market penetration.



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NAME A JOB that would require you to learn someone else's job before you could even begin to do yours. An NFL quarterback? An NBA point guard? But you know the answer to this one: It's the CIO.

Ed Bell knows. As CIO of Commonwealth Financial Network in the early 2000s, Bell figured out how to do his job by watching the firm's financial advisor customers. Bell "listened to the questions they had to answer, and how they were trying to increase their commissions," reports SearchCIO.com News Director Christina Torode in "[CIOs Delve Into Business Services](#)."

Later, as interim CIO serving the House and Senate of the commonwealth of Massachusetts, Bell had to study the labyrinth called the state legislative process, which isn't a lot of fun even for those who really want to know how the sausage is made.

"I sat in the clerks' offices, sat on the House and Senate session floors and watched what they did and how they did it, to understand what we needed to gain out of this new system," he said. "From that vantage point, you can take that information and do a better job communicating with constituents as well, who really

are the ones we serve. It was a good education for them, and for me."

Such knowledge may not be essential for certain aspects of a CIO's responsibilities, like networking or storage or security. Those are parts of the IT infrastructure that the CIO and his staff are trained to manage for a company. Developing software to run the business is altogether different. "From a business product standpoint and a customer standpoint, we need to engage with customers to see how we can improve their environments," Bell said.

Constituents? Customers? It hasn't always been like this. Even before there was such a thing as the CIO, those who were in charge of technology told everybody else how they could use it, even institutionalizing barriers for accessing the technology.

That's all changed. Now the CIO works for the lines of business and, like a good point guard, creates opportunities for others to succeed. ■



SCOT PETERSEN

Editorial Director
CIO/IT Strategy Media
spetersen@techtarget.com



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ON THE JOB

BUSINESS-SERVICE GENERATION, WEB- SERVICE STYLE

CIO'S INTERESTED IN changing the IT department's image from cost center to revenue generator may want to delve into the creation of customer-facing business intelligence (BI) data services.

It hasn't been easy for IT to prove the value of BI software to the business, despite multimillion-dollar investments. As Jitender Nankani, a client engagement manager at BI consulting firm Saama Technologies Inc., put it, his clients need some "BI on BI" to sell it to their own users.

Guy Carpenter & Company LLC, a New York-based risk and reinsurance service provider with more than 500 worldwide offices, has developed a service that allows its

customers to conduct "what if" scenarios against their portfolios, such as, "What if the provider cut its 50 lowest-performing policies?" Another company, credit card processor Moneris Solutions Corp., has created Merchant Direct, a service that lets customers see how their sales fare against aggregated sales data in specific industry sectors.

"They have 35,000 merchant locations—florists, gyms, Kmart—all use [Moneris] for credit card processing, and now these customers can see benchmarking data against similar merchants," said Kurt Schlegel, an analyst at Stamford, Conn.-based Gartner Inc.

Many of these BI services are folded into existing service offerings for free, but some businesses are finding ways to charge. A large Canadian bank feeds data from its data warehouse to self-services kiosks. Customers are charged a minimal fee for information such

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as bank statements.

"We've been able to automate a manual process, making it more convenient for customers to get information from us, and charge them a fee," said Andy Hanna, a member of the bank's business information systems group.

By 2013, some form of business intelligence, whether reporting or analysis capabilities, will be an expected component of both customer and partner relationships, Schlegel said. "Your customers are going to expect some type of access to their information, their activities

and transactions, and this will evolve eventually into industry benchmarking," he said.

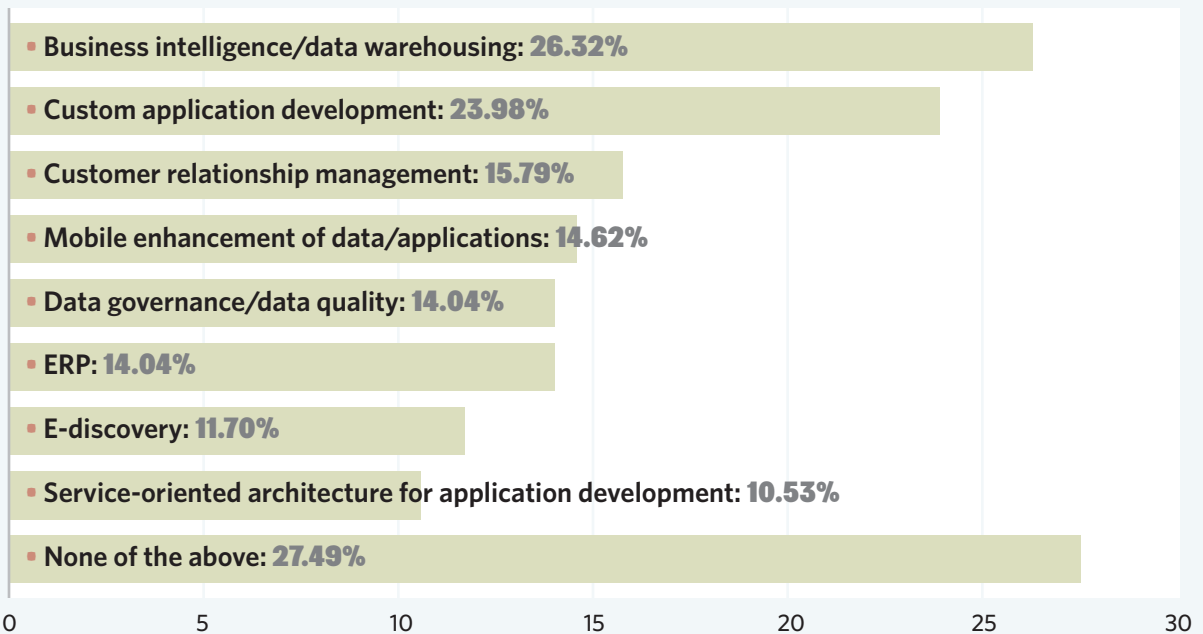
By 2014, 20% of global organizations will create a product or service based on some portion of data derived from their BI systems, according to Gartner. "So one in five will sell these solutions to customers—most won't charge for it—but some will be able to," Schlegel said, adding that CIOs are in a prime position to productize BI since many IT departments are charged with their organizations' BI efforts.

—CHRISTINA TORODE

BY THE NUMBERS

ON THE AGENDA

Which of these software initiatives will your company implement, at some level, in 2010?



BASE: 171 CIO'S AND IT MANAGERS; SOURCE: SEARCHCIO.COM 2010 IT PRIORITIES SURVEY

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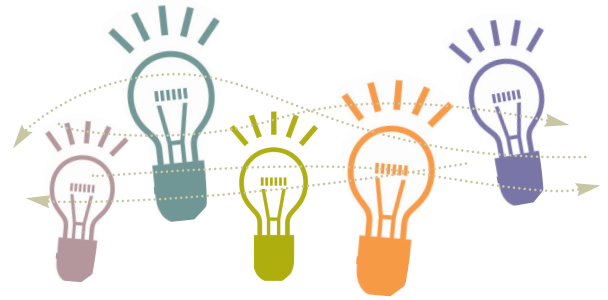
HOOKED IN

ADDICTED TO SOCIAL MEDIA

A recent study by American college students found that when cut off from using social media such as Facebook for just 24 hours, participants described experiencing symptoms associated with drug and alcohol addiction:

- In withdrawal
- Frantically craving
- Very anxious
- Extremely antsy
- Miserable, jittery, crazy

What does this mean for CIOs? These workers also will have an insatiable appetite for up-to-the-minute information and a desire to stay in touch with people. At the very least, CIOs will definitely need Facebook pages. —LINDA TUCCI



WHAT'S THIS?

IDEATION MANAGEMENT

It might sound like a term out of the film *Minority Report*, but **ideation management** is the here and now. It represents the creative process of generating, collecting and disseminating new ideas according to a cohesive corporate strategy. Some companies, including AAA, purchase software to enhance the ideation management process and entice employees to take part in the innovation process—AAA's social media guru calls it "suggestion box on steroids."

QUICK QUOTABLE

“If a CIO is not a business architect and they are not focused on services, they will be displaced.”

—MATT HOOPER, CIO, Inforonics LLC

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ONE ON ONE

THE PROBLEM SOLVER

NAME: Ed Bell

TITLE: CIO, House and Senate division

TIME IN THIS ROLE: A year

COMPANY: Commonwealth of Massachusetts

HEADQUARTERS: Boston

EMPLOYEES: 40 Senators and 160 Representatives, with a variable number of aides/support.



IF IT AIN'T broke, Ed Bell (left) isn't interested. He has turned down CIO jobs when an organization believes everything is status quo. The positions that

pique his interest are the ones in which there is "acknowledgement that it is broken from a business standpoint, and there is a willingness to invest their time and know they have to do things differently," said Bell, interim CIO of the commonwealth of Massachusetts' Senate and House of Representatives, who has also held CIO positions at the U.S. Financial Services division of ING Americas and Commonwealth Financial Network.

His current project is fixing the internal systems for the petition and bill submission and approval process used by the Massachusetts

legislature. This entailed retiring (for the most part) a 35-year-old mainframe, and taking information off that mainframe and countless Microsoft Word documents to create a single workflow. He also had to redesign the website that served the 4 million voters of the commonwealth of Massachusetts.

Under what circumstances did you become the interim CIO for the House and Senate?

They wanted to move to newer technology and off the mainframe, which they had tried to do five years ago and it didn't work out. They made a serious investment, all for naught. I was brought in to do a six-week assessment last July. Almost a year later, I said, 'Instead of trying to replace an old application, function by function on the mainframe, spend more time re-engineering what you do here.' So, instead of

"Instead of building two different environments ... we spent five months evaluating what each group did."

building two different environments, one for the Senate and one for the House, I pulled the two groups together and we spent five months

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evaluating what each group did, so we could build one solution. You have to account for nuances in the House and Senate, but they followed the same routine, for the most part, for bills and legislation. The end result will be one solution for both.

What did you personally do during those five months?

I sat in the clerks' offices, sat on the House and Senate session floors and watched what they did and how they did it, to understand what we needed to gain out of this new system. Then, you can re-engineer processes. From that vantage point, you can take that information and do a better job communicating with constituents as well, who really are the ones we serve.

It was a good education for them, and for me. I came in with a fresh set of eyes, so I was a whiteboard. Now we're halfway through development and will be implementing in time for the next sessions starting up in November.

Did you reuse existing technology, or buy off-the-shelf software for this workflow system and new website?

The issue in the past [with the House and Senate workflow system] was that they selected the technology before figuring out their requirements. That's what we spent those five months doing, evaluating

what we wanted to be when we grew up. We needed to do that in order to define the technologies we would need.

So what platform path did you follow?

We are building a workflow solution, and for that, Microsoft technology is

"I sat in the clerks' offices, sat on the House and Senate session floors and watched what they did and how they did it, to understand what we needed to gain out of this new system."

a great tool to leverage as a foundational piece. We are building code on top of that. So we aren't building 100% of this.

We're leveraging given tools like SharePoint for content management and document management, but we can't leverage [the SharePoint system] for the entire workflow because it has its limitations. We're expecting a lot of data to reside in the [internal workflow and external website], so we would rely on a SQL warehouse for that instead of SharePoint. —CHRISTINA TORODE

CIOs Delve Into Business Services

CIOs are in a prime position to shape new service offerings and shepherd the business into new markets. **BY CHRISTINA TORODE**

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WHEN A NEW market opportunity presents itself, or an organization has to adjust its business model to change with the times, the CIO has the best seat in the house to make things happen.

The CIO and the IT department have a view into the processes across all the business units and departments at a granular level. IT knows the technologies on which those business processes are built. This insider knowledge puts CIOs in a prime position to help the business develop new internally and externally facing services.

The insight that's often missing, however, is business knowledge—how an employee in sales interacts with customers, or the information

customers need to help them grow and, in turn, help your business grow.

When Ed Bell joined Commonwealth Financial Network in 2000 as CIO, the business goal was to surpass the financial services offered by competitors. Bell, currently the interim CIO serving the House and Senate of the commonwealth of Massachusetts, started visiting the independent financial advisors, watched how they did their jobs, listened to the questions they had and learned how they were trying to increase commissions.

LEARNING THE BUSINESS

"We [as CIOs] see processes. We know what technology can do, and

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we can improve internal processes but, from a business-product standpoint and a customer standpoint, we need to engage with customers

“When I walked in, [the business] knew they didn’t have the technology they needed ... so they embraced the long-term plan.”

—ED BELL, former CIO,
Commonwealth Financial Network

to see how we can improve their environments,” Bell said.

What Bell came back with was an idea for a new Web portal that would allow financial advisors to view their gross commissions and compare them with those of financial advisors in similarly sized firms. They could also set commission growth targets and view the lowest- and highest-performing products they offered. After the system was put in place, financial advisors started to use the technology to challenge themselves. Within a year, gross commissions doubled to about \$300,000, he said.

“That system improved their commissions, and in turn our business grew,” Bell said.

But a new service offering entails a new way of thinking, and it was only a piece of a wider, far-reaching business adjustment.

The desired end state was a new technology platform that gave advisors easy access to information, but the strategy was a two- to three-year plan that involved completely re-engineering internal IT processes and an estimated 10 to 20 projects per year.

“When I walked in, [the business] knew they didn’t have the technology they needed in place, so they embraced the long-term plan,” Bell said. “Not only did they invest in it, but they challenged the rest of the organization to become change agents as well. If the business is not engaged, all bets are off.”

CUTTING SERVICE DELIVERY TIMES

Dr. Kip Schumacher, CEO of emergency medicine practice management company Schumacher Group in Lafayette, La., felt out of touch with the needs of the 2,500 physicians his company served.

With the number of physicians served growing at a rate of 10% to 15%, Schumacher recognized the need for technology to fill this communication void. “We knew that technology would never replace the human touch, and it couldn’t supplement a handshake or face-to-face communication, but it would

build a sense of community with the physicians we work with," said Schumacher CIO Doug Menefee.

Based on feedback from annual physician surveys, operational assessment team meetings, medical director forums and the Schumacher team members who spoke with physicians daily, Menefee and the

Web services team began to develop a new physicians' portal.

The portal, written in ColdFusion on a BlueDragon server, acts as a single sign-on gateway to a personalized physician screen. Physicians and Schumacher employees can track the entire patient intake and outtake document management

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WHY SCRUM?

SCRUM IS OFTEN cited as the agile approach of choice by IT executives and consultants alike. So what does it have over other approaches? Elena Mitelman, principal at agile consulting firm SmartEdge LLC, breaks it down:

- ① **Scrum doesn't prescribe specific engineering practices—those are left to the team. Instead, Scrum focuses mainly on interactions between people and communication. This interactive approach makes it hard for some people, but it's truly as simple as it gets, unlike, say, XP, or Extreme Programming, which has a number of practices that must be put into place.**
- ② **Unlike a lot of other agile methodologies, Scrum is not specific to software development—it can be used for any project, including launching a product, starting a company, etc.**

In a 2009 survey by independent consultancy Analysis.Net, 50% of 2,570 respondents were using Scrum, while 24% use a Scrum/XP hybrid. Preferences aside, Mitelman pointed out two common mistakes organizations make when adopting any agile project approach:

- ① **Some people tend to try to follow it to the letter, afraid that any deviation from the "law" will bring doom. Agile methods are very open to adaptation. Otherwise, why would we call them *agile*?**
- ② **Using another process (waterfall, RUP, etc.) and calling it agile. It's important to actually do it, rather than just slap a new name on an existing process. —C.T.**

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process. (Learn more in "[The Vision Thing](#).")

In essence, the system lets physicians input patient information; Schumacher then takes over to check that the documentation follows the correct processes,

"We are getting much closer to real-time collaboration [and] we're building market share."

—DOUG MENEFFEE ►
CIO, Schumacher Group

procedures and HIPAA regulations, and collects billing information for insurers. Above all, it helps ensure that physicians are following the correct patient-care procedures.

The technology takes away such pain points as document management, risk mitigation and HIPAA compliance. "We educate them about things they are missing, how they compare to other physicians to help them reduce their risk of medical malpractice, and keeping their insurance premiums lower," Menefee said.

Before the system was introduced, it could take 30 to 40 days for a physician to correct a patient chart or answer a question from someone on the Schumacher team. With two-way, Web-based communication, clarifications are now made within three to four minutes, Menefee said.

"We are getting much closer to real-time collaboration

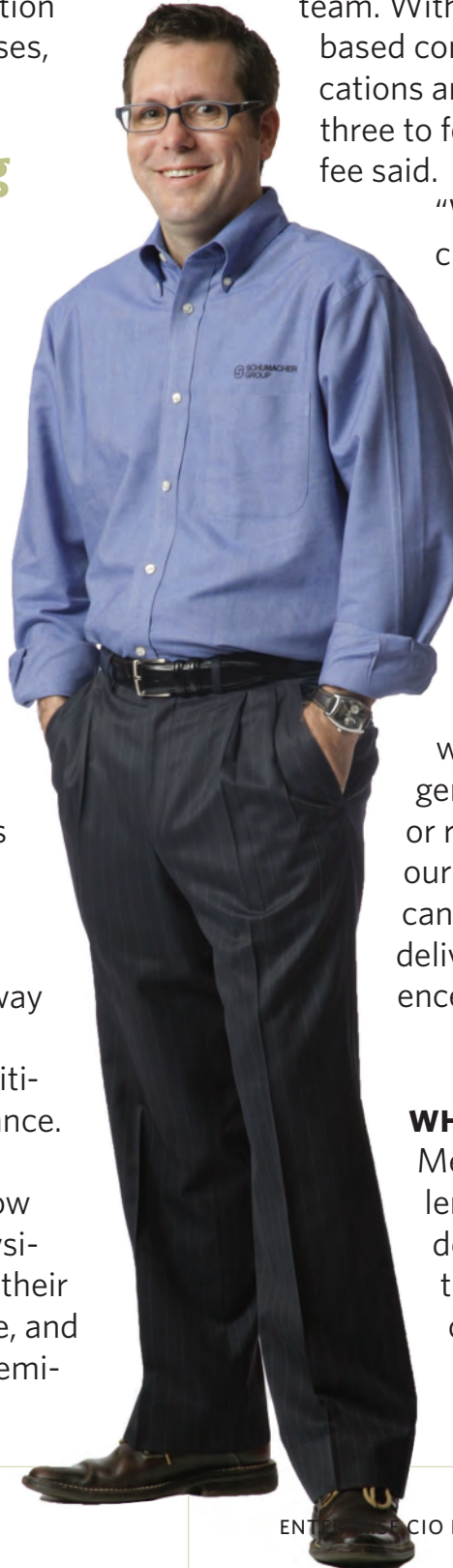
amongst our employees and the physicians that have independent contracts with us," Menefee said.

"We're building market share

because of it, but it wasn't about next-generation technology or revenue. It is about our business—how we can help the physician deliver a better experience for the patient."

WHO'S IN CHARGE?

Menefee has no problem admitting that he doesn't want to control technology—other than security and identity management, of course.



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As far as he's concerned, his Web services team may do all the development, but the business units own the application and tell him what services to make.

If you don't make the business feel that it owns a project, it will end badly, said Jack Santos, CIO executive strategist at Burton Group Inc. in Midvale, Utah.

"The business should get credit for a service that enhances the bottom line," Santos said. "I've seen some [IT departments] have a problem with this, but if the business believes they are in charge, a project will be pushed much farther ahead faster."

Instead of viewing a new business model or new service approach as a threat, embrace it.

"The CIO can be a critical guide that lets the business know what a project may cost and what can be reused, or is already in place," Santos said. "They can also make sure the right infrastructure and governance is in place for a new service offering in the cloud."

Research and development is your client, human resources is your client, but, ultimately, external customers are in charge. They can signal a change in buying patterns that could ultimately cause you to scrap your existing business model.

When Santos was CIO of an office supply company, sales were conducted over the phone. Then the Web hit.

"The Web introduced a whole new way for customers to buy, which meant the business had to figure out how to migrate processes to the Web and introduce a whole new tool set," he said.

The Web threatened an existing business model, but the IT team

Instead of viewing a new business model or new service approach as a threat, embrace it.

was able to get in front of this new service delivery model, he said. Today, CIOs are facing new service delivery models in the cloud—look no further than the popularity of Google Apps and the types of technology leaking into your corporation.

"The CIO needs to recognize that outsourcing or the cloud could be a better approach before the business does," Santos said. "The CIO has an opportunity to make as many contributions as any other business person to the customer, but if you find out about a new service R&D is working on after the fact, you failed." ■

Christina Torode is news director of SearchCIO.com. Write to her at ctorode@techtarg.com.

The Vision Thing

CIOs are developing business service solutions that address both current and future needs.

BY CHRISTINA TORODE

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A KISS OF death for many business service projects is a lack of vision. The business does not plan for the future, but instead focuses on speed to market and cost. That is not to say that cost savings can't make or break a project, or that agile project practices designed to expedite service delivery are not the right development paths to take. Agile development practices are being used as a foundation for business projects that, in some cases, have nothing to do with technology. (See "[Borrowing Agile IT Practices to Solve Business Problems.](#)")

Agile, or any methodology you follow for developing business services, should have a long-term strategy attached to it. If not, a platform built for one service could end up

being a one-trick pony.

That's what Continental Airlines Inc. set out to avoid when it built a new e-discovery and document management system. When the Department of Transportation informed airlines they would be fined if passengers spent more than three hours in tarmac limbo, Continental had a new system in place to track and reduce tarmac delays before the April 29 DOT compliance deadline.

Continental was able to get a new service in place quickly because it had planned ahead, knowing that its industry required fast reactions to changing regulations. Driven by the legal team and with flexibility in mind, a new e-discovery and document management SharePoint portal had already been built.

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"We chose SharePoint because we knew we could add applications on top of it, on the fly," said Denise Wilson, senior manager of technology in Continental's enterprise engineering group in Houston.

Wilson's team did have to customize SharePoint, but it had extensive .NET resources in-house that allowed it to develop more services without having to rely on a third party.

"We looked extensively at [other commercial] document management solutions, and they were much more expensive," she said. "We would have had to contract out any changes we wanted to make, and the base licenses were very expensive."

REUSE, BUY OR BUILD

A rule of thumb often used when developing a new service is reuse technology you have in place, buy it if you can't reuse existing resources or, as a last resort, build it yourself.

Doug Menefee, CIO at Schumacher Group, chose a hybrid approach when the Lafayette, La.-based company built a collaboration platform to connect its employees to its 2,500 emergency-room physician customers. The system gave physicians access to a private portal area to view their patient intake and outtake documentation, compare their documentation acumen with peers, and correct documentation errors caught by Schumacher employees.

The goal was to help physicians avoid medical malpractice lawsuits and HIPAA violations and improve the quality of patient care.

Like Wilson, Menefee tapped internal developer expertise, in this case in ColdFusion, to develop the portal. The code base serves as a gateway that directs physicians to several services, including Gmail, a scheduling application called Tangier developed by Software as a Service (SaaS) provider Peake Software Labs, or an existing data warehouse that resides on-premise.

All in all, about 80% of Schumacher's internal business processes and customer-facing services now live in the cloud. Applications from about 10 SaaS providers feed into the portal and back-end systems.

"I'm a strong advocate of the cloud, but what we needed was a wrapper that allows us to connect those environments and offer a single sign-on service to the physicians," he said

That wrapper was home-built since nothing was available on the market to aggregate so many services into a single offering, Menefee said.

Menefee uses agile practices to develop new internal and external services. If the business asks for a new service and it can't be implemented in a 45- to 60-day window, the service is sliced up further.

"Since we have in-house expert-

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Borrowing Agile IT Practices to Solve Business Problems

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IN THE PAST few years, Ross Pettit, client principal at Chicago-based ThoughtWorks Inc., has seen a shift in client requests. The agile software development consulting firm's projects are still mainly grounded in custom application development but, more often, he said, organizations want to apply agile practices to non-IT-related projects. Pettit suggests following these initial steps when adopting an agile project approach:

► **Develop a release planning stage** in which aspects of the project are divided into smaller, more manageable chunks. This stage involves defining the problem in business, not technical, terms, choosing and pairing up team members from different aspects of the business and assigning project facilitators who can step in to remove obstacles.

Every week there is a checkpoint to gauge progress, the understanding of the problem, what needs to be done next, and how the team is tracking against the agreed-upon solution path.

By having the primary stakeholders involved, the business problem is laid out for all to see and obsta-

cles can be removed. "Week after week, there is tremendous transparency and exposure to all the stakeholders...," Pettit said. "This allows stakeholders to make the resources available for what needs to be done, immediately."

► **It's OK to fail, but fail fast.** "The more often you try and fail, the more you learn about the problem in front of you," he said.

► **Start with the hardest nut to crack.** "Too often, I see projects fail because they were able to get two or three easy things accomplished, then they get to the more difficult ones they were putting off, and they say 'I don't know if we're up to that one,'" he said.

And even though a project may be focused on a business problem, the CIO will be called on to act as an agile executive. Someone, namely the CIO, needs to be paying attention to all the data coming out of all the projects. "The CIO can make decisions outside of the context of the project, that others may not feel empowered to make, and will see problems that others may not by looking from the outside in," he said. —**C.T.**

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ise, we're able to continue to add new services weekly," he said. "With some SaaS or off-the-shelf products, you're stuck in a box."

Menefee had the benefit of the CEO leading the charge behind this technology and business transformation. "We will sometimes spend two to three times what other companies might traditionally spend because quality of patient care is the bottom line," he said.

IT AS A REVENUE GENERATOR

Many enterprises have spent the past 20 years trying to get an ROI out of their business intelligence systems—not to mention get more people to actually use them. Some companies have finally figured out how to do just that, and it is a sign of how BI platforms will progressively play a role in boosting bottom lines.

Stamford, Conn.-based research firm Gartner Inc. predicts that by 2014, 20% of global organizations will create a product or service based on some portion of data derived from their BI systems. "One in five will sell these solutions to customers—most won't charge for it—but some will be able to," said analyst Kurt Schlegel at a Gartner BI Summit in April, adding that CIOs are in a prime position to productize BI since many IT departments are charged with their organizations' BI efforts.

The following are a few compa-

nies highlighted by Gartner that are capitalizing on BI's ROI potential:

- Managed health care network provider **Dakotacare**, which serves more than 130,000 members in South Dakota, realized an ROI of \$1.2 million from its BI program. In 2008 alone, it made \$400,000 from related cost savings and new business opportunities. The BI platform is a set of analytic applications that provides claims analysis, among other services.

- Canada-based credit card processor **Moneris Solutions Corp.** has created **Merchant Direct**, a service that lets customers see how their sales fare against aggregated sales data in specific industry sectors. "They have 35,000 merchant locations—florists, gyms, Kmart—all use [Moneris] for credit card processing, and now these customers can see benchmarking data against [that of] similar merchants," Schlegel said.

- **Guy Carpenter & Company LLC**, a New York-based risk and reinsurance service provider with more than 500 worldwide offices, developed a Web-based BI service that allows property and casualty insurers to minimize portfolio risk. Clients can reduce the loss ratio of their insurance portfolios, assess the overall risk of new policies and monitor catastrophes in real time to

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deploy claims adjusters to affected areas before claims are filed, according to Gartner.

NEW CHANNELS FOR BUILDING BRANDS

Social networking platforms and iPhone applications are being used to deliver new services and hopefully woo a few new customers.

CSI Global Education Inc., a Toronto-based financial services education and accreditation services provider, is offering a new iPhone application to 700,000 financial service professionals. The free application, a glossary of more than 4,000 financial terms, is downloaded by about 80 people a day.

"The interesting part for us is that we are reaching people internationally now who may take an online course from us after using our application," said Dylan Fedy, CSI's senior director of customer insight. And users can request the addition of new financial terms.

The application, called the Financial Glossary by CSI, is optimized to be found by iTunes users. "People spend a lot of time on their iPhones, so we thought it was a new way to engage people who wouldn't normally come across us," Fedy said.

Instant messaging is old hat for most enterprises, but back when Jack Santos, CIO executive strategist at Burton Group Inc. in Midvale, Utah, was asked to create a new

emergency room communication system as the CIO of a hospital, it took an intern to enlighten him.

The new emergency room resident wanted to know why he couldn't just use IM to connect with the imaging department, instead of walking to another building or hav-

"CIOs today need to recognize that social networking platforms are changing the way businesses deliver services and communicate inside and outside."

—**JACK SANTOS**, CIO executive strategist, Burton Group Inc.

ing to log onto a desktop.

"My first reaction was, 'What about security and cost?' But I also recognized that IT needed to go outside IT to understand what people are thinking," Santos said. "CIOs today need to recognize that social networking platforms are changing the way businesses deliver services and communicate inside and outside." ■

Christina Torode is news director of SearchCIO.com. Write to her at ctorode@techtarg.com.

Developing Business Services

An enterprising CIO finds that walking the walk with customers is key to successfully provisioning business services. **BY NIEL NICKOLAISEN**

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CIO'S DELVE INTO BUSINESS SERVICES

THE VISION THING

THE REAL NIEL: DEVELOPING BUSINESS SERVICES

EVEN THOUGH I'M an "IT guy," I sometimes have what I think are great business ideas.

Admittedly, some of these ideas don't quite turn out as I think they should. For example, many years ago, I worked as CIO for a consumer packaged-goods company. One of this company's struggling segments was the "high-income male" category. I had the brilliant idea to replicate Willy Wonka's golden ticket promotion by slipping a few invitations to the Masters Golf Tournament inside the packaging of a few products. My less-enlightened marketing counter-

parts scoffed at the idea, but I was persistent. It took some doing, but they finally came around to thinking the golden Masters ticket was actually a good idea.

We printed up six golden tickets, put them in several of the products designed for the "high-income male" segment and waited for sales to climb. And waited. And waited....

The promotion never caught on, and the golden tickets had absolutely no impact on sales. Of the six packages with the golden tickets inside, only one was sold. A couple of years later,



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the company abandoned the “high-income male” category.

To balance such failures, some of my great business ideas have actually panned out. A few years ago, I had what I thought was a guaran-

The idea grew out of an effort to solve a customer problem. I learned about the problem by spending time in the customer's world.

teed way to boost market share in one of our businesses, which provides materials to the commercial construction industry. During one of my visits to this business, I saw how difficult it was for our customers to schedule what they needed from us. Because their schedules were so fluid—one of their scheduled jobs might be delayed due to rain, or might be accelerated when a permit came through ahead of schedule, or might change due to a ripple effect from one of their subcontractors—they were constantly canceling and replacing orders. Without these constant changes, our materials might arrive too early to be used or so late that their crews were wasting their time waiting for our shipment.

My idea was to design, develop and deploy a customer self-scheduling system that would allow our customers to separate ordering from scheduling. Once they placed an order, they could adjust the delivery date merely by updating their schedule in the new system. I figured that this approach would make it so easy and simple for our customers to do business with us that they would decide to do business with *only* us. This new business services system would allow us to take market share from our less-brilliant competitors. My less-enlightened business counterparts scoffed at my idea, but I was persistent and they finally came around.

We worked with a pilot customer to design, develop and test the self-scheduling system. The result? It worked as advertised, the pilot customer was ecstatic and we quickly rolled out the system to our other customers and gained incredible market share.

As I think back to what made the difference between ideas that succeeded and those that failed, I detect at least three critical success factors:

1

Listen to the voice of the customer. The idea for the self-scheduling system grew out of an effort to solve a customer problem. I learned about the problem by spending time in the

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customers' world. I walked about 100 yards in their shoes. Once I understood their process issues, a potential business service solution became clear. I have found this works equally well for internal and external customers. I like to send my staff to spend "days in the life" of our internal business customers. There is incredible value when we work in the distribution center, participate in the financial close process, take a few shifts in a retail store and work on the customer service line. The context we get from this experience allows our really smart IT people to create brilliant business (not technology) ideas.

2 Be a credible business leader. Imagine the following scenario: I go to the controller with an incredible idea for optimizing the financial close process. As I explain my idea, the controller recalls that our business systems are down for an average of eight hours a month. Not only that, the email system has been up and down all day. Do you think the controller will give my idea much attention? He'll probably think that I should first make sure that IT works before I begin considering how to improve one of *his* processes.

As IT leaders, we must get our IT house in order *before* we have any hope of sharing good business service ideas with others. A good friend

of mine is the CIO at a large e-tailer. During the past few years, she has delivered great idea after great idea on how to use technology to improve operations, customer serv-

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ice and sales. However, when she was first hired, she inherited a poorly performing IT department, so she spent a year improving IT processes and developing internal credibility before straying outside of IT and sharing these ideas.

3 Remember, it's not about the technology. Technology is an enabler but should not be the primary objective of our business service ideas. In my example, the self-scheduling system was a technology means to a business end—giving our customers the ability to easily revise their schedules. As technologists, our first reaction is often to think in terms of technologies. I have found our ideas are

much better if we first think in terms of customers, adding value and improving processes.

IT leaders are uniquely qualified to generate great business service

As technologists, our first reaction is often to think in terms of technologies. I have found our ideas are much better if we first think in terms of customers, adding value and improving processes.

ideas, as the nature of our job is to think horizontally about business and customer processes. This horizontal perspective allows us to understand cause-and-effect relationships and think of ways to make these relationships better. By looking at the world through the eyes of our customers, gaining credibility and choosing process over technology, we become a fully participating member of the leadership team. ■

Niel Nickolaisen is CIO and vice president of strategic planning at Headwaters Inc. in South Jordan, Utah. Write to him at nnick@headwaters.com or editor@searchcio.com.



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Jacqueline Biscobing
Managing Editor
jbiscobing@techtarget.com

Scot Petersen
Editorial Director
spetersen@techtarget.com

Linda Koury
Art Director of Digital Content
lkoury@techtarget.com

Ed Scannell
Executive Editor
escannell@techtarget.com

Christina Torode
News Director
ctorode@techtarget.com

Rachel Lebeaux
Assistant Managing Editor
rlebeaux@techtarget.com

Niel Nickolaisen
Contributing Writer

FOR SALES INQUIRIES, PLEASE CONTACT:

Theron Shreve
Senior Product Manager
tshreve@techtarget.com
(617) 431-9360

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