

# synnovation

/// VOLUME 2 ISSUE 2

## WE'RE IN THIS TOGETHER

From processes to products, business protocol continues to change. And everything that makes an enterprise grow ultimately affects the biggest resource—people.

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# At Your Service

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GET READY FOR THE PEOPLE-READY BUSINESS

— By Max Long, Microsoft —





**F**or Zach Weigel, a Dell sales consultant for small and mid-sized businesses, building a customer quote used to be a laborious process. To complete a quote he had to search web sites, check a customer's online sales cart, review the customer's order history, and more. Submitting actual orders required entering a complex code for each individual component. And Weigel serves 180 customers across 20 accounts.

Now, when a customer calls Weigel, his computer screen instantly displays everything he needs to know: what products the customer has placed in an online shopping cart, what was purchased in the past, even what products offer the customer the best performance, while giving Dell the best profit margins. That's because Weigel uses a new internal technology solution called the Integrated Dell Desktop (IDD). >>



“IDD is a lot more user friendly,” says Weigel. “With our old system, it took 10 to 15 minutes to build a quote. With IDD, I can build a quote in 30 to 45 seconds and send it to the customer while talking to him or her on the phone. It’s possible to close the sale in a single call.”

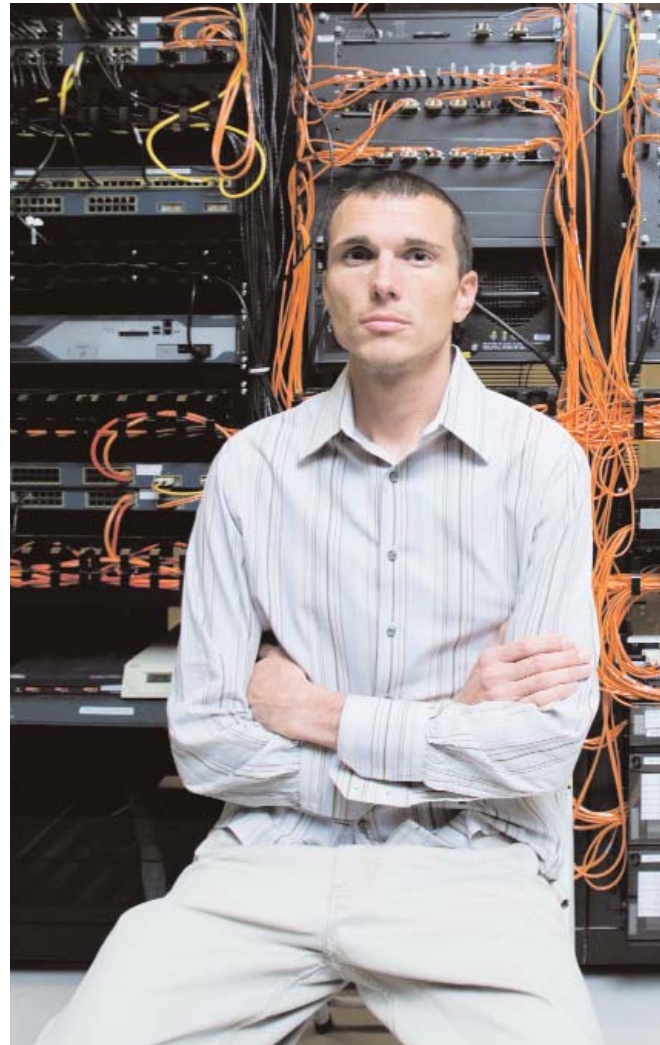
For Dell, technology is part of the answer to increasing sales. But it’s only a part of the answer because Dell, like a growing number of companies, recognizes that businesses and technologies don’t garner insights or make decisions. They don’t close deals, invent new products, or find new efficiencies.

People do. And companies excel when they empower people to drive the business forward. These are the people-ready businesses. Microsoft has been talking explicitly about the people-ready business since 2006, and has a web site devoted to the topic ([www.microsoft.com/peopleready](http://www.microsoft.com/peopleready)). But in reality, the company has talked about it for much longer than that because the idea of the people-ready business is a natural outgrowth of what Microsoft has been saying about the impact of technology on people.

So what makes a people-ready business, what benefits can a company expect from such an approach, and how can businesses move along the continuum to reflect the concept more fully? For chief information officers and other decision makers on the technology side of an enterprise, these ideas have never been more important. That’s because CIOs and others in their organizations are now able to work more closely with their counterparts on the business side of the enterprise than ever before. That gives them the opportunity to leverage technology for innovations that will truly drive business success—if they understand how to ensure those innovations are ready for the people who need them.

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### Technology is Crucial— But People Come First

Of course, technology is a crucial tool for empowering people. Technology is everywhere in the workplace—laptop computers, personal digital assistants, “smart” wireless telephones, the Internet, and business servers. But people remain the core of any business. Human intelligence, experience, and dedication to business success are what make a business leap ahead of its competition. The job of technology is to help people make the most of their talents and abilities. The right technology is more than a tool. It’s a lever



that magnifies the efforts of employees and managers, and in the process, transforms how business gets done.

This may seem intuitive when it's laid out in black and white—but the experiences of too many businesses show that the concept still has a ways to go before it can be said to be universally applied.

IT spending adds up to trillions of dollars each year, including spending on hardware, software, IT services, and telecommunications. Yet the majority of companies making investments in technology complain that information overload can slow decision making and actually impede

business efforts. In these cases, we believe, technology isn't designed to serve a company's people but acts in quite the opposite: In too many instances, people are required to learn and implement entirely new and often difficult practices in order to use technology, and the result is that productivity suffers and what was supposed to be a new solution becomes a new problem.

The solution, say analysts, is to use technology to untie the knot sometimes created by information, not tangle it further. Investment in a "high-performance workplace," says **Gartner Group** Vice President Tom Austin, can increase competitiveness, add value, and make the most of what is most companies' largest asset: employees.

Businesses must "empower individuals and raise the quality and impact of what people do," Austin says. "High-performance workplace strategies raise the impact of skilled people."

Among those strategies is developing technology that helps people manage multiple streams of information, enables them to identify trends and patterns, and gives them tools to connect and collaborate with colleagues. "The benefits of these technologies can be measured in high productivity, increased idea generation, and improved relevance and quality," says Austin.

### A High-Flying Example

Examples of what Austin sees as the key to business success can today be found around the world. For example, at **Zurich International Airport**, one of Europe's busiest transportation hubs, 1,300 airport partners and approximately 20,000 employees juggle hundreds of flights and thousands of passengers each day. If any link within the partner and employee network breaks—whether it's a de-icing crew or a food service van—the entire operation may fall behind.

To help manage the complex business, Zurich International Airport managers worked with Microsoft partners to develop a software solution called ZEUS. ZEUS collects and displays information from across the airport—flight data, on-time statistics, baggage-handling status, and more. That means the employees of **Unique**, the private company that runs the airport, are constantly aware of how the airport is functioning and where problems might arise.>>

Technology can be used to collect, analyze, and package information so that it becomes a useful tool for a business and its employees.

“An airport runs 24 hours a day, 365 days a year, so it’s very important for managers to have access at all times to important data so that we’re informed on what’s going on daily,” says Josef Felder, chief executive officer of Unique. “I love the system because, besides the usual facts and figures, it also shows a lot of diagrams. Within two or three minutes I have a full picture of what’s happening at the airport that day.”

ZEUS exemplifies what technology should accomplish: it takes vast amounts of disparate information and packages it so that employees can use their knowledge and experience to act on that information. That’s what creates a high-performance workplace, and it’s true whether an employee is dealing with an airplane stuck at a boarding gate, a request by a bank customer for a clear picture of mortgage offerings, or a building manager who wants to reduce heating and cooling costs.

In situation after situation, technology can be used to collect, analyze, and package information so that it becomes a useful tool for a business and its employees. A service company with far-flung technicians uses wireless laptops to constantly update its knowledge base of solutions to problems arising across the country. A hospital deploys a system that enables physicians miles away to see a patient’s vital signs during surgery, helping doctors on the scene solve life-threatening problems. A financial services company gives its agents tools to quickly analyze customer portfolios or sift through hundreds of customers to find those with a particular stock.

All of these solutions share common qualities. They focus on people by helping ensure ease of use and demonstrating an understanding of how people actually perform their jobs. They work well with familiar programs and technologies, so that employees don’t waste valuable time learning complex, proprietary systems. And they fit well with the systems companies have already implemented. The result is tools that are quickly and effectively put to work by those using them.



▲ Zurich International Airport uses a software solution called ZEUS, which displays flight and related information.

As author **John Naisbitt** said many years ago, we are drowning in information but starved for knowledge. Today’s technology must do more than simply vacuum up more information. It must deploy that information in the service of those who use it. When information is put to work in the service of a business and its employees, rather than as an obstacle or a daunting task, that business, and those people, are poised for success.

Getting to that point takes more than best-of-breed line-of-business (LOB) solutions. It takes technology that can access those LOB solutions and allow people to work with them in the most productive ways. Getting there also requires the enterprise to recognize and act on the idea that the

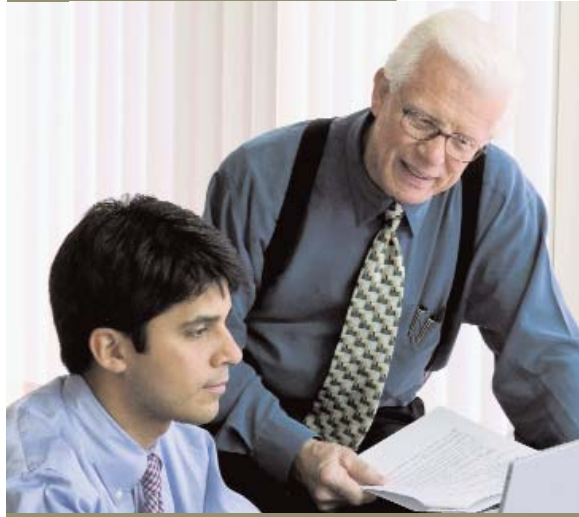


same information can be needed and used by different people in different ways. For example, at a retailer, inventory status for a given item can trigger a new order from a purchasing agent, a sales analysis from a marketer, and a financial report from a business analyst.

### **What the People-Ready Business Can Expect**

In Microsoft's work with thousands of customers across national and industrial boundaries, we see four major business outcomes for which the people-ready business can strive. Which ones it achieves depends on the types of problems it seeks to address and the types of solutions it chooses to adopt. >>

## START HERE



If you want to make your business people-ready, where should you start? Where should you focus your efforts? Recent studies have identified a set of scenarios that Microsoft and its partners use to focus solutions and help people find, deploy, and use the right tools to turn business pain points into critical success factors. These include scenarios that balance an organization's need to address the dynamic workplace with the secure, well-managed infrastructure needed to manage it. These are the areas on which you might focus as you consider the adoption of people-ready approaches for your business.

### **For the business executive, the key scenarios are:**

- Building customer connections
- Enabling your mobile workforce
- Finding, using, and sharing information
- Improving compliance
- Driving real-world business processes
- Managing business performance

### Drive Innovation

Ideas require people to dream, challenge, reflect, and enhance. In addition, they require people with access to the right information, supported by the right processes, and connected to the right people, to turn those ideas from suggestions or wayward thoughts into innovative processes, products, and services. In a global world, this takes place not only in headquarters and conference rooms, but also in shared, virtual workspaces that bring all these aspects of collaboration together—helping people transform ideas into action and protect the results of their creativity by securing the flow and access of information with network-

and document-level protection.

The experience of Zurich Airport is an example of such innovation.

### Develop Customer Relationships

Creating innovative products and services is not the only business activity that relies on people for its success. People anticipate consumer demand. They use their intuition and personal interaction skills to build customer intimacy and loyalty. People connect with colleagues to understand business opportunities and solve shared challenges. They help each other aspire to seek out new business models, new customer segments, and new views of products that create enhanced demand and even build new markets.

Perhaps no one is more on the front lines of the customer relationship than the call center-based customer service agent. The typical agent handles hundreds of calls each day—calls to confirm new orders, order accessories, or discuss confusion over something listed on the web site. All are opportunities to assist a customer, make a sale, and add to the overall success of the business.

The ability to provide the highest level of service depends on access to the right information—what the customer has bought before, tracking numbers and updates from the shipping company, information on current pricing and bundles—and the ability to act quickly on that information to help the customer at that



moment. For many companies today, access to relevant information in millions of data records and multiple data stores is difficult or impossible. The Integrated Dell Desktop solves these problems for Dell, and its staff, customers, and shareholders are the better for it.

### Improve Operations

People are also the key to controlling costs. People use knowledge and creativity to improve operations. Behind every process improvement, simplified form, transfer of knowledge from one person to another, and every act that uses information as a substitute for inventory, is a person who imagined a better, more efficient way to do things—and acted to turn that

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idea into reality.

Consider the process of bringing a new pharmaceutical product to market. From research lab to consumer, it can take a decade and cost as much as a billion dollars. Engineers at pharmaceutical giant **Pfizer Inc.** noticed room for improvement. Although shop floor machines and enterprise-wide systems were fairly automated, the highly creative tasks of designing and producing the active pharmaceutical ingredients (APIs) for new products were not—and, once a drug has been approved by the **FDA**, Pfizer is suddenly confronted with the challenge of scaling up production of the API on a massive scale.

To address this problem, Pfizer is piloting a groundbreaking system called Catalyst that could revolutionize pharmaceutical manufacturing and reporting. The solution reduces the amount of time and effort that chemists and engineers spend investigating and preparing documents for the API manufacturing process and increases management effectiveness by providing access to real-time information in highly useful ways.

Beyond automating the process of creating a “recipe” for production runs of APIs, Catalyst automatically adapts the recipe for other plants and their unique capabilities, which helps with production planning. Catalyst can assess current production status at plants around the world, identify available equipment, and rank each piece of equipment based on its ability. The system can determine whether a vessel is in use or fallow and note special characteristics—for example, if a vessel or tank is glass-lined, which might be desirable when dealing with corrosive substances.

When Catalyst is fully deployed, engineers will be able to draw upon Pfizer resources around the world to split up production between plants while maintaining quality and consistency. Catalyst gives Pfizer, which operates a dozen API plants around the world, an unprecedented and highly efficient means of scheduling production and optimizing capacity on a global scale.

Pfizer estimates that Catalyst will pay for itself in six to 12 months by saving time, effort, and inventory. And it may well establish Pfizer as the first of the big pharmaceutical companies to meet the FDA’s challenge to modernize.

#### **Build Partner Connections**

Finally, it’s people who build and maintain relationships. More and more, success depends on partners, suppliers, distributors, and individual relationships across myriads of organizations to bring a product or service to market in ways that excite customers, or provide them with the comfort of knowing that responsive people—not rigid and impersonal systems—are there to support them if they need assistance. Technology that bridges the gaps between organizations and allows people across companies and continents to share a common view of information is critical to maintaining trust and loyalty.

Digital video networking provider **Terayon Communications Systems** had the problems >>

The firms in the top 25 percent of IT capability enjoy 23 percent higher revenue per employee than peers in the bottom 25 percent of IT capability.

that many, if not most, companies have with suppliers. Each time it communicated with a supplier—for example, receiving purchase order receipts or sending shipping orders—it had to reenter the information manually into its enterprise resource planning system. This process was slow, expensive, and error-prone. To solve the problem, Terayon adopted an integration environment solution that automated its vendor-related processes. As a result, the productivity of operations is up by 75 percent, the accuracy of inventory cycle counts is up by 100 percent, and customer service and satisfaction are up too. Terayon now has a comprehensive trading partner collaboration solution it can roll out quickly and cost-effectively to other contract manufacturers and other suppliers worldwide.

#### Becoming People-Ready

For the world's largest companies, a 2006 study by **McKinsey & Co.** concluded that, "Intangible assets such as knowledge are the key to these companies' profitability, and it is professionals who create and use them. Mega institutions not only employ disproportionately high numbers of professionals, but have also found ways to help them work together ever more effectively. That combination has allowed these companies to increase their share of the top 2,000 corporations' net income significantly, while the share of the total work force hasn't gone up in proportion."<sup>1</sup>

That's consistent with a multi-country research study commissioned by Microsoft from **Keystone Strategy, Inc.**, and conducted under the direction of Professor Marco Iansiti of the **Harvard Business School.**<sup>2</sup> That study found a correlation between the way companies invest in IT and their overall performance:

■ **Software fuels revenue growth.** Companies in the top 25 percent of IT capability grew revenue 6.8 percent faster per year than their peers in the bottom 25 percent of IT capability.



■ **Firms with robust software have more productive employees.**

The firms in the top 25 percent of IT capability enjoy 23 percent higher revenue per employee than peers in the bottom 25 percent of IT capability.

The key driver of worker productivity is a robust software infrastructure that allows workers to take advantage of the highly sophisticated capabilities of client devices and software. In the Keystone study, isolating the effect of all IT functions on productivity showed that IT infrastructure is the key determinant of achieving superior productivity.

So it isn't just people, and it isn't just giving people more technology, that leads to improved



performance. Successful businesses must strategically create the right mix of information, process, and technology to adapt to the challenges and opportunities of global trends. It's important that organizations take into account advances in software and hardware and information access in conjunction with trends such as an aging workforce, the integrated, global nature of business that eliminates the boundaries of time and place, and the implications of accountability and regulation. Innovation and success require IT investments that provide an organization with a unique set of capabilities.

An organization that successfully adapts to the new world of work will be able to unleash the

creativity of its people, regardless of its size, industry, location, and market position.

The software that supports the people-ready business will come from innovative business partners that invest deeply in research and development. It will come from partners that continually collaborate with IT and business thinkers. The right software will come from partners that can scale in both depth and breadth to serve the broad needs of customers grappling with the question of how to configure their dynamic systems of people, process, culture, and technology so they can effectively differentiate their products and services within the markets they serve.

There are many questions that will help decision makers better position themselves to take optimal advantage of their people and the software that supports them. Here are a few high-level questions that those who want to make their business people-ready should consider:

- **Do your people have the information they need to make an intelligent, informed decision every time they need to make one?**
- **Can your people work with groups around the world and exchange ideas as though they were all in the same room?**
- **Can your people work as efficiently and effectively on the road as they can in the office?**
- **Do your people have the visibility into processes so they can apply their insights to improve operations and reduce costs?**

If the answer to any of these questions is no, and if your business depends on the ability to do one of these to achieve your business goals, then now is the time to start thinking about how to reconfigure your business so you can give your people the software they need to discover, decide, collaborate, and act. Becoming a people-ready business is a journey that requires an understanding of where people can make the biggest impact and how to give them what they need to turn information into action. **[S]**

**About the Author: Max Long leads Enterprise Marketing for Microsoft Corp.**

FOOTNOTES:  
1 THE MCKINSEY QUARTERLY, "THE MCKINSEY QUARTERLY CHART FOCUS NEWSLETTER: CREATING VALUE FROM EMPLOYEES", MCKINSEY AND CO., MAY 2006.  
2 [HTTP://WWW.MICROSOFT.COM/BUSINESS/PEOPLEREADY/INNOVATION/INSIGHT/EKEYSTONE\\_NEW.MSPX](http://www.microsoft.com/business/peoplerady/innovation/insight/ekeystone_new.msp).