



In close
cooperation



CIONET
What's next.

What every business should keep in mind when turning digital

Key learnings from the European CIOs of the Year 2015

AUGUST 2015

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Foreword

Dear reader,

At our 2015 international digital leadership conference we celebrated the exceptional achievements of 23 digital leaders across Europe. Though ultimately only four of them received the prestigious award of European CIO of the Year, all 23 finalists undoubtedly stood out in terms of the way they leveraged technology to optimise the success of their businesses. The full profile of the 23 finalists can be found in our report [“2015 Digital Leadership report: turning digital into business value”](#).

However, with the report you are currently reading we wanted to dig deeper into the experience of the four winners, and the insights they retrieved from their journey. We have chosen to do so in an original way: through the eyes of eight high-achieving IT professionals from the international IT service provider Cegeka, who were invited to participate in the panel discussion with the winners and moderated by global thought leader Stephen Ibaraki.

We deemed it important to hear the voice of these high potentials and the learning they gathered from the challenges faced by today’s digital leaders. These young professionals will be future leaders, and in this future will be faced with different challenges altogether. Nevertheless we believe they can learn from the current leaders in order to shape their understanding of how technology is fundamentally transforming businesses and the environment in which they operate.

We trust the insights they have obtained will be beneficial to them throughout their career.

At the same time, more senior IT professionals can learn from these young high potentials as well. The way they see the current challenges faced by today's digital leader can uncover new ways to deal with them. A dialogue between both can unleash new directions to enable businesses to better prepare for future successes.

It is with this aim in mind that we launched this initiative, which we hope is just a first step into how we can generate a more diverse and richer set of ideas on how to make the current and future digital leaders ever more successful.

We wish you an insightful read.

Frederic De Meyer
Head of Research
CIONET International

Christoph Neut
Chief Commercial Officer
CEGEKA



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Findings from young high-potential IT professionals

At the international digital leadership conference CIO CITY 2015 a panel discussion took place with the winners of the European CIO of the Year Award, which was granted the night before. The four winners of 2015 were interviewed by global thought leader Stephen Ibaraki, and were asked a number of questions with regard of critical success factors and alignment of the IT organisation not only with their business peers, but also with overall trends affecting their overall business.

A number of young high potentials from the strategic sponsor of the event, Cegeka, were invited to attend this panel discussion and to think about the key learning from the discussion.

This chapter contains a brief account of the feedback of these high potentials on the two central questions of the debate: what are the key learning points from these successful CIOs in recent achievements, and which overarching trends do they deem to be the most impactful for businesses in the future.

The feedback was provided by:

Veerle Dalemans, Web Communication Analyst

Rob Douven, Functional Analyst

Davy Frederickx, Project Leader

Frans Geulinckx, Technical Software Engineer

Lenne Hendrickx, Developer

Pieter Op De Beeck, Functional Analyst

Rob Swartenbroekx, Apprentice Technical Designer

Bart Swerts, Architect/ Project Lead

Vincent Verhoeven, Technical Designer

The key learning points

The high potentials were first asked to determine the key learning points they distilled from the discussion. Here are the key points from their feedback:



GET THE BASICS RIGHT

The key to success is to make sure the bottom-line platforms are available and working smoothly, in order to build trust with the internal customers. Once this trust is built the focus can shift towards innovation and adding business value;



INVOLVE ALL STAKEHOLDERS

It is critical for the success of the IT organisation to involve every party concerned right at the start of a new project, in order to maximise their buy-in. This involves customers and suppliers as well as partners;



BENEFITS FROM WORKING AGILE

An increasing amount of companies realise the importance of fast feedback, time-to-market and building a solid relationship with the internal customers. This will ultimately improve the bottom line: cost reduction, customer satisfaction and efficiency improvement;



BECOME A TECHNOLOGY BROKER

There is a clear evolution of the CIO becoming a technology broker rather than the owner of IT-related products and services within the organisation. A CIO needs to be aware of new, overarching trends affecting the overall business in order to lead their company through the choice of new technologies and solutions;



ATTRACT AND GROW TALENT

More and more, CIOs need to become pro-active in attracting and growing talents that are able to create new streams of value-added services to the business;



IT AND BUSINESS: WORK IN DIALOGUE

However, the partnership between IT and the business works in two ways. Not only should IT understand the business challenges and offer a solution to it, but just as much the business needs to understand and even be inspired by what is possible in IT, and technology overall.

The trends affecting today's businesses

What did the winners of the European CIO of the Year award see as the major overarching trends affecting their business?



MACHINE LEARNING

Almost all the panellists agreed that machine learning was the most vital trend for virtually any business in the near future. A lot of jobs performed by humans will be replaced by intelligent, self-learning systems. Big players such as Google are actively researching this opportunity, and many other businesses will follow;



NETWORKED ECONOMY

The evolution towards a networked economy contains specific challenges, but big opportunities as well. As VDAB has shown, opening its services to companies that could previously be regarded as competitors offers tremendous leverage for the business and its ecosystem. As such, the company had transformed into becoming an orchestrator of its ecosystem, rather than a service deliverer;



SMART ANALYTICS

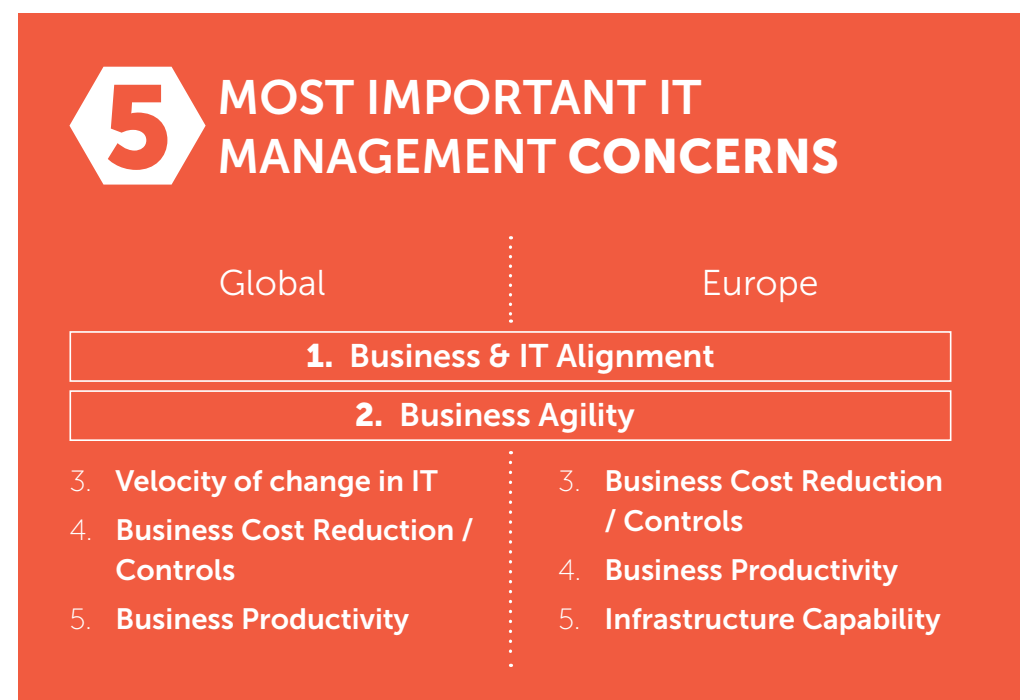
Smart analytics have been used by the panellists to enable faster decision-taking in the field, hence reducing costs dramatically. Inspired by the practices of Netflix, lots of companies are looking into smart analytics to understand customer behaviour better, and adapt their products and services real-time to these insights.

To take advantage of these longer-term, overarching trends takes some different approaches in comparison to traditional corporate thinking. For instance, the panellists mentioned:

- Keep an open mind,
- Think in non-linear ways
- Question yourself every day
- Prepare for – and embrace – constant change
- Dare to fail
- See strategy not as an objective, but as a means to preserve freedom of operation

Statistics

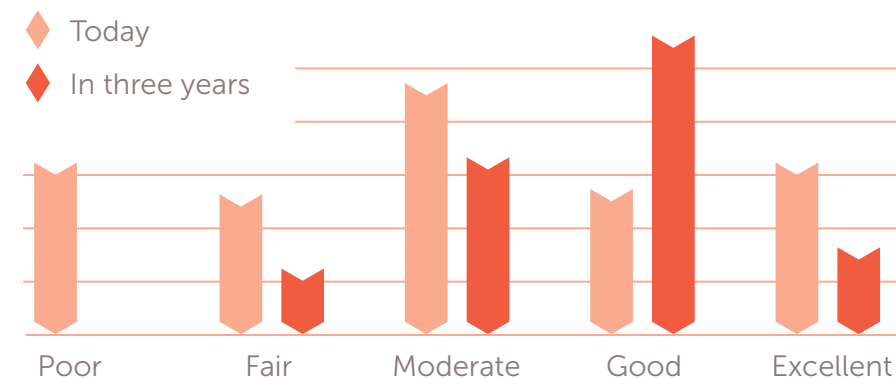
“Business and IT alignment has consistently been the top priority of CIOs throughout the past couple of years. The winners of the European CIO of the Year award have shown successful ways to achieve this alignment and leverage it to the benefit of the organisation”.



SOURCE: “CIONET IT trend survey”, 2015

HUGE FOCUS ON UPGRADING THE CUSTOMER DIGITAL EXPERIENCE THROUGH 2017

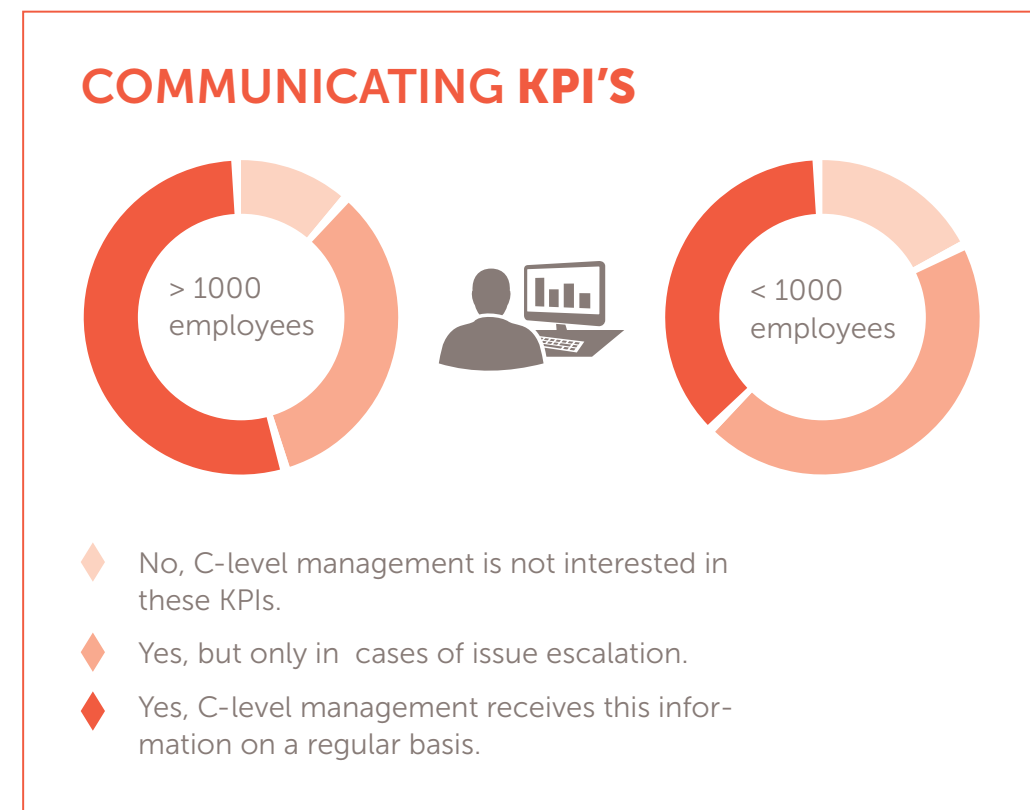
How would you rate the overall quality of your customers' experience and engagement with your company today and in three years?



“Many companies – including the European CIO of the Year winners – look to Netflix as an example of how to use digital customer behaviour to design better products and services. But as a recent study from Cognizant shows, very few companies succeed in doing so at the moment. The survey shows that only 16% of companies claim to be effective in collecting and leveraging information from the digital behaviour of their customers”.

SOURCE: Cognizant report “Putting the experience in digital customer experience”, 2015

“In the relationship between the IT department and the business, determining Key Performance Indicators (KPIs) and reporting on them on a regular basis to C-level executives is a critical success factor. However, as our recent research has demonstrated, this practice is not vastly adopted yet. A little more than 50% of large IT leaders have agreed on KPIs with the business and are reporting on them on a regular basis. This amount decreases to around 40% for smaller companies.”



SOURCE: “CIONET IT services survey”, 2015

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Major achievements and key advice from the four European CIOs of the Year 2015



Mattias
Ulbrich

Chief Information Officer
AUDI AG



Jean-Luc
Martino

Chief Information Officer
Raiffeisen Bank Luxembourg



Paul
Danneels

Chief Information Officer
VDAB (Flemish Region employ-
ment agency)



Piera
Fasoli

Chief Information Officer
Gruppo HERA (Italy)

CATEGORY ENTERPRISE

Mattias Ulbrich

Chief Information Officer
AUDI AG



“Any company nowadays has to rely on collaboration with multiple stakeholders, whether they are customers, start-ups or other divisions and functions within the company.”



A SELECTION OF RECENT ACHIEVEMENTS

- **Radically transformed the production process** into a fully digitised, lean and efficient “digital factory”, by ensuring a smooth and intelligent link between logistics, production and quality processes. At the core of this transformation is a Manufacturing Management System (MMS), consisting of three pillars: (1) an electronic vehicle tracking process (instead of paper), (2) the standardisation and reduction of complexity of IT on the shop floor; and (3) an integration of the processes between production and logistics. This has had an impact on the quality of the vehicles, the efficiency of the production chain and the overall reduction of costs.
- **Introduced a cloud-based car IT architecture** for mobile online services in cars, hereby facilitating the creation of new business models sharing the vehicles’ entire life cycle. 26 new services and functions have been built on this architecture, all of which aim to increase car comfort and efficiency, and enhance the driver’s experience.
- **Developed a series of initiatives aimed at digitising the customers’ touch points** with the brand, through which customers can use multiple devices to as-

sist throughout the sales process and enabling the company's capacity to innovate. One example is the development of fully digital retail outlets in city centres, 'Audi City', that allows buyers to configure their dream vehicle on-site on innovative 32-inch multi-touch tables and to view the entire range of product variants and configurations in true-to-life detail on floor-to-ceiling powerwalls.



MAJOR LEARNING AND ADVICE

- To **eliminate Shadow IT**, the IT Group first earned the trust of the rest of the business by delivering on what it promised, and being pro-active in providing solutions to business challenges. A business colleague explained to Ulbrich that his people now tell him that if people from the IT Group say they will deliver, they will deliver. In addition, when business colleagues approach the IT Group, they focus on business needs rather than technology discussions. Because of this, the inclination to find solutions outside of IT has slowly evaporated.
- To **work on innovative mobility solutions** with the Sales and Marketing division, Ulbrich actually founded a new company, Audi Business Innovation, owned jointly by IT and Sales & Marketing. In his view this is the way forward for marketing and IT working together with a single, common objective in mind. IT is increasingly a part of everything a company does, so why not merge it with other divisions, even in a separate company.

CATEGORY MEDIUM-SIZED COMPANIES

Jean-Luc Martino

Chief Information Officer
Raiffeisen Bank Luxembourg



“The business must be accountable for the business requirements and the validation of the solution, while IT must be accountable for delivering the solution.”



A SELECTION OF RECENT ACHIEVEMENTS

- When Martino started at Raiffeisen in 2012, IT was hardly involved in any corporate decision or strategy. In 2 years time Martino managed to change this profoundly through a number of high-profile projects:
 1. **modernisation of the complete infrastructure** to achieve 100% availability and reliability for the +100,000 electronic operations per day;
 2. **introduction of lean practices** in IT and strong internal SLAs, aimed at getting IT partnering with business;
 3. **relocation of the headquarters** with 300 people, including the data centre; and
 4. **reshaping the e-Banking end-user experience.** This resulted in multi-million cost savings, additional sales and an increase in customer satisfaction for the bank.
- **Launched a mobile banking app** in 5 months' time, used by 3,500 customers after 10 months. This resulted in substantial cost reduction in development due to strong integration with back-end infrastructure and streamlining development between mobile and desktop application.
- **Supported the launch of a new fidelity programme** impacting all aspects of IT operations. Ensured a smooth integration which resulted in a successful launch.



MAJOR LEARNING AND ADVICE

- **The development and operations teams** often have separated workstreams. Martino quickly realised the benefit of having the operation team involved in the early stages of a development process. Building a bridge between development and operations helps to ensure a smooth rollout of new projects.
- At Raiffeisen IT was historically spread among different business workstreams. This meant the IT governance practices were driven by the business. For Martino to be successful it was vital to have IT integrated again and **develop a single voice in IT governance**.

CATEGORY PUBLIC SECTOR

Paul Danneels

Chief Information Officer

VDAB (Flemish Region employment agency)



“Our two-day planning exercise, looking at the requirements and needs across multiple projects, has helped to foster a culture where the bigger objective of what the IT team is doing is constantly focused on and, hence, deeply understood.”



A SELECTION OF RECENT ACHIEVEMENTS

- **Installed a business disruption lab** to enhance the agility of VDAB services and harness the possibilities of co-creation in bringing new services to the market. The lab has 6 guiding principles: 1) from digital support to digital first; 2) move from service provisioning to ecosystems; 3) move from offering services to coordinating dynamic service journeys; 4) move from ‘have to’ partners to ‘want to’ partnerships; 5) refocus from planning to agility and 6) move from ‘ad hoc’ initiatives to continuous development of organisational capabilities. This new approach has led to the development of specific apps to help school-leavers land their first job effectively. By a smart use of the ecosystem these apps are delivered to 70,000 youngsters with a minimum of budget and employees (an estimated 100 FTE and €15m has been saved);
- **Used open government data to optimise the job-matching service** of the VDAB, which is internationally recognised as a best practice by the Public Employment Services International. The matching engine is itself a rule-based matching engine with an in-memory database of 3 million search objects allowing up to 50 matching requests per second with

a response time of 17 to 20 milliseconds/matching search. This has made incremental services possible such as competence matching, online assistance to suggest vacancy improvements and advanced CV-based matching. This tool will soon be integrated in private interim offices, and adopted by the employment agency in Malta. Other European countries have shown great interest in adopting this tool as well.

- **Established an Agile Software Development Factory** consisting of 100 people in 8 teams. The SAFE framework is now applied on all development and maintenance activities throughout the organisation. Priorities are set in common agreement with business owners who work next to each other. Instead of yearly planning VDAB now runs on quarterly releases driven by 2-week sprints starting on Tuesdays.



MAJOR LEARNING AND ADVICE

- **Multi-sourcing** with smaller, specialised providers has worked well for VDAB. Not only has it enabled a better monitoring of improvements, but overall it has led to around 25% savings on the total contract volume. Though this needs some organisational shift as well, each contract is monitored and managed by a dedicated service delivery manager, headed by an end service delivery manager.
- **The vital role IT plays in the innovation efforts** of VDAB undoubtedly has to do with the particular attention its CEO is bringing to technological developments within their organisation. This close partnership between CEO and CIO has permitted the maximum leveraging of the potential of IT as a business innovation enabler.

CATEGORY PUBLIC SECTOR

Piera Fasoli

Chief Information Officer

Gruppo HERA (Regional Italian waste collector and utility company)



Piera Fasoli was represented by Milena Zappoli.

“The hardest challenge is to translate the business requirements to IT, and at the same time explain the IT model to the business. We need to find a common language.”



A SELECTION OF RECENT ACHIEVEMENTS

- Undertook a project (HERGO) to **renew the information systems and technologies** for the support of the waste collection management services, to increase the level of coverage of the processes and make it uniform; to integrate the data environments; to make the operative planning and programming more effective; to make the balance sheet and final balance of internal and third party services more efficient. This project also involved, amongst other things, the **introduction of mobile technologies and sensors**, connected with a central system, which allows for efficient and centralised management of HERA's services.
- Initiated Hera's Beam project to answer the necessity of managing commercial and industrial, gas smart meter reading unit. The information generated by the **smart meters** feeds the central information network and is easily accessed by operators using a mobility platform. Furthermore, the employees and external vendors can now use in safe and scalable mode the available services through mobile devices, related for example to the energy consumption, the remote re-programming and the technical, account

and reporting activities, etc. Hera currently manages 50,000 commercial and industrial smart meter reading units and 1.1 million residential gas reading units.

- **Revamped the Emergency Call Centre** to a standardised, reliable system fully integrated into Hera's operational tools such as SAP, hereby increasing the operators' efficiency and optimising the process workflow.



MAJOR LEARNING AND ADVICE

- **Changing the frequency of the meetings with the business** goes a long way. Before becoming CIO, HERA group's IT team met with the business every other month, gathered requirements to discuss within the team, present and discuss the solution to and with the business, before starting the implementation process. This process was cumbersome. The IT team now meets with the business every week, not only to gather requirements but also to identify smaller, quick wins that can be developed in an agile way. This has – amongst other things – dramatically improved the quality of the IT team's results, as well as the timeframe in which these results are delivered.
- **Hire business people as 'demand managers' within the IT team.** Fasoli has created a function within IT, where people from the business side, though with a technological background, serve as demand managers to the business owners. These people have typically served in the business for three to five years, but given their technological background they have a great aptitude for learning the IT fundamentals quite quickly. This role has become quite fundamental in the positive impact IT has on the company.

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About CIONET

We are CIONET, the biggest community of IT executives in Europe. Bringing together over 5000 CIOs, CTO's and IT directors from wide ranging sectors, cultures, academic backgrounds and generations, CIONET's membership represents an impressive body of expertise in IT management. CIONET's mission is to feed and develop that expertise by providing top-level IT executives with the resources they need to realise their full potential.

CIONET develops, manages and moderates an integrated array of tools and programs from the online CIONET platform – the world's first social network for CIOs – to a range of offline networking events, conferences, workshops and executive education programmes all tailored to top-level management. CIONET also provides exclusive access to the latest research through regular online and offline publications and a number of value adding partnerships with key players from the academic and corporate worlds.

Faced with the rapidly changing role of today's IT executive, CIONET not only helps its members keep up with the pace of change but empowers them to take an active role in shaping the future of their field, always challenging them with "What's next."



About CEGEKA

Cegeka is an independent European IT services provider. The company helps its customers with IT consultancy projects, the integration of ICT infrastructure, the development and implementation of applications and outsourcing. The ICT company, originally Belgian, houses the ICT of its customers in its own data centres in Hasselt, Leuven and Veenendaal (the Netherlands). A new, state-of-the-art data centre is opening in the Dutch city of Geleen at the end of 2015. Cegeka Group has over 3500 employees, and is expecting a consolidated turnover of €400m in 2015. Cegeka has branches in Belgium, Germany, France, Italy, the Netherlands, Luxembourg, Austria, Poland, Romania, Slovakia and the Czech Republic. Cegeka provides services for software development for customers across Europe, 24-hour service desk management, coaching for agile transformations, integration of cloud software and omni-channel marketing.

Visit www.cegeka.com for more information.

