

Managing the Virtual Organization



Toward an Integrated IT Resource
Management Process

Scott Montgomery - Weyerhaeuser

A Challenging State of Affairs

- Aligning to business strategies
- Talent retention
- Skills to match needs
- Understanding demand drivers
- Balancing supply alternatives
- Maintaining morale
- Appropriate training & Development
- Rightsizing
- Providing executive decision support information
- Justifying staff size



"The problem is not that there are problems. The problem is expecting otherwise and thinking that having problems is a problem."

- Theodore Rubin

The Situation at Weyerhaeuser

- Approximately 58,000 employees in 18 countries (predominantly North America)
- People development as a core value
- IT Staff
 - ~ 900 Internal – Centrally managed with LOB aligned segments
 - ~ 1,000 External
 - 5 Primary providers – 3 Domestic, 2 Global
 - Infrastructure Services Outsourced to EDS
 - Two Co-source providers (India)
 - Common operating environment (Servers/network/desktop)
 - Eclectic application environment
 - Large enterprise systems (SAP) and business-level consolidation projects underway

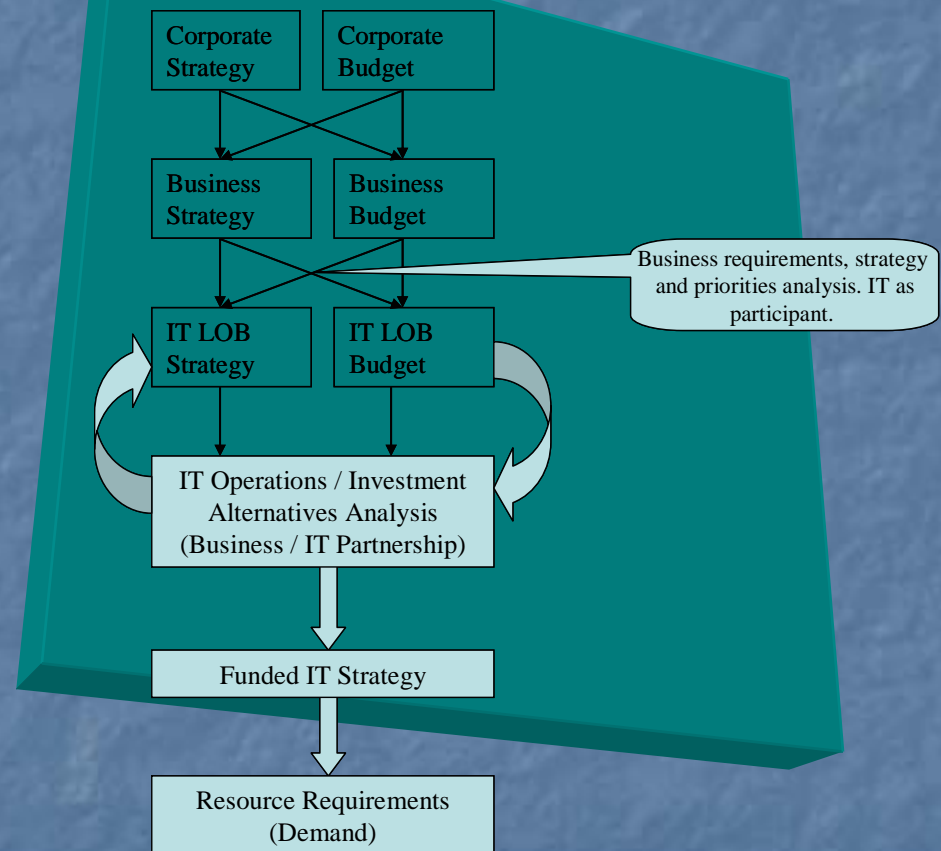


"The true meaning of life is to plant trees, under whose shade you do not expect to sit."

-Nelson Henderson

From Business Strategy to IT Demand

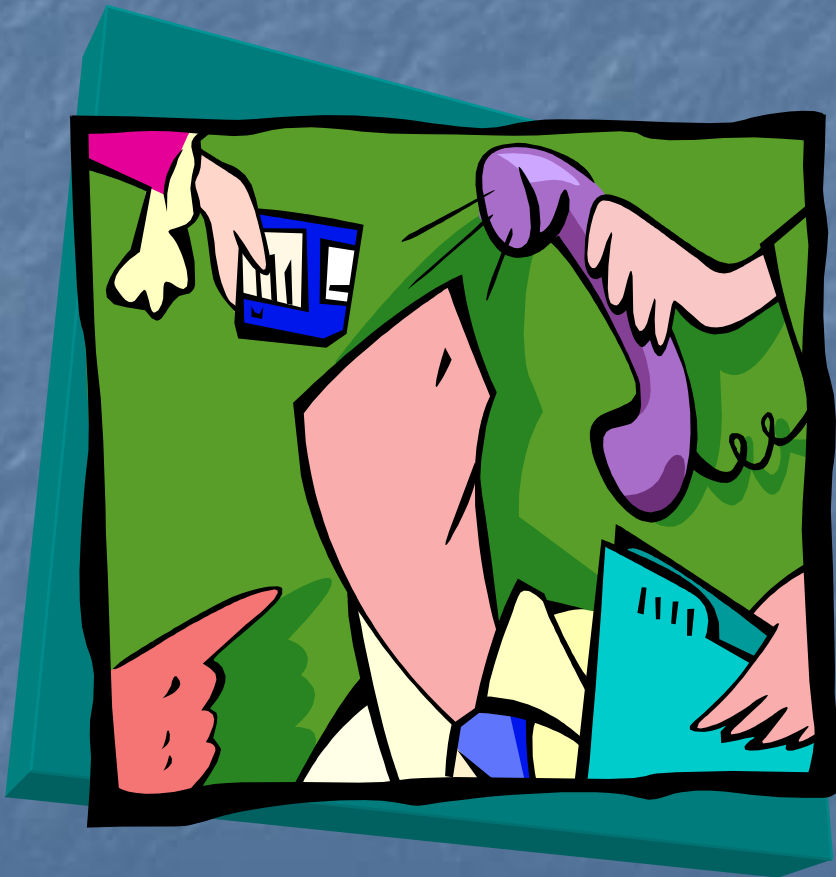
- Integrated management refers to the natural derivation of IT planning from Corporate and business level strategies and planning
- Business needs are the primary source of IT service demand
- Strong business/IT partnership is an essential prerequisite to IT resource planning
- Avoids "build it and they will come" mentality



"Leadership is a combination of strategy and character. If you must be without one, be without the strategy."

-Gen. H. Norman Schwarzkopf

Demand Drivers



- Projects & Initiatives
 - Acquisitions & Divestitures
 - Growth & realignment
- Sustaining operations
- Compliance
 - Sarbanes-Oxley
- Obsolescence
 - Software
 - Infrastructure
- Value adding vs. Sustaining
- Enterprise vs. best-of-breed

"Ability will never catch up with the demand for it."

-Malcolm Stevenson Forbes

Supply Alternatives



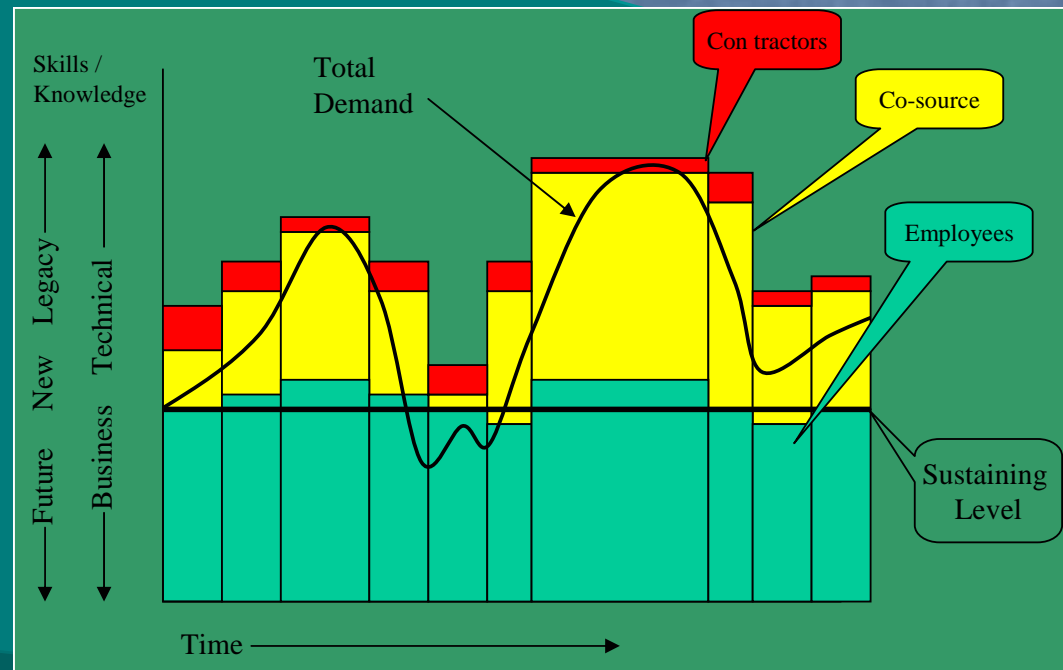
- Developing in-house resources
- Strategic Hiring
- Co-sourcing
 - On-shore
 - Off-shore
 - Near-shore
- Outsourcing
- Constraining demand
 - Reducing service levels
 - Deferring projects

"We can try to avoid making choices by doing nothing, but even that is a decision."

-Gary Collins

Resource Supply-Demand Dynamics

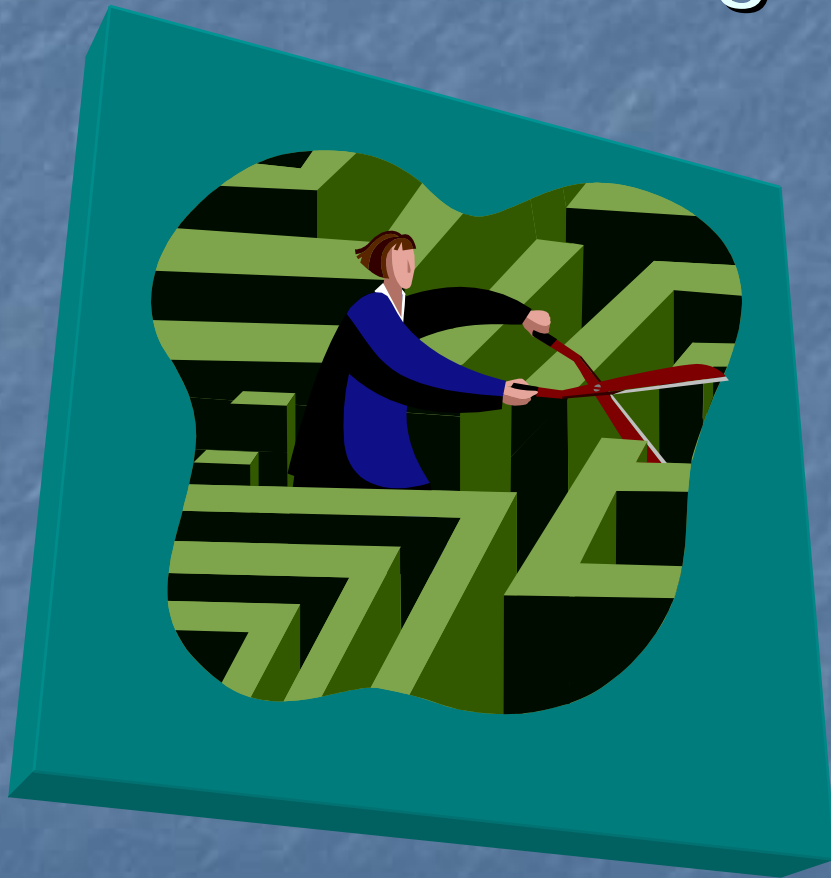
- Total demand varies with time
- Outsourced functions simplify the dynamic
- A vision of best-fit sourcing seeks:
 - Stable in-house staff
 - Strategic & business specific skills developed, hired, retained
 - Minimized use of contractors
 - Co-sourcing to fill short-term, legacy, specialized technical demands



"The stoical scheme of supplying our wants by lopping off our desires, is like cutting off our feet when we want shoes."

-Jonathan Swift "

The Challenge of Skill Matching in the Large Organization



- Resource visibility across IT groups and functional units is poor
- Job posting doesn't reach out to employees effectively
- Employees may miss growth and advancement opportunities
- Managers may miss opportunities to effectively reassign employees
- Insufficient vision of future needs by both managers and employees thwarts internal mobility
- In times of change, employees dig in and managers protect headcount

Morpheus: There's a difference between knowing the path, and walking the path.

A Skills Inventory

- Employee driven – initial entry and at least semi-annual updates
- **Not** used for employee evaluation
- Ease-of-use
- Focus on primary relevant skills
- Includes technical, application, business function, and business knowledge
- Catalogs prior, current, and desired future roles
- All employees visible to all managers
- Supports queries based on desired skill profiles, role experience, etc.
- A stimulant for manager – employee discussion

Employee Skills Inventory

Current User: Montgomery, Scott D

Current Employee: Blackburn, Tom Employee's Manager: Montgomery, Scott D Organization: CBPR Common Solutions

Technical Applications Business Functional Business Knowledge Roles IDP Planning Role

Click to Add New Technical Skill

Skill	Self-Rating	Years of Experience
Wireless / RF	Advanced	4
Application Dev. OOP - (C#, C and Java variants)	Intermediate	3
Data Acquisition / Collection / Hand-helds, etc.	Expert	9

Done Local Intranet

"Sometimes a player's greatest challenge is coming to grips with his role on the team."

-Scottie Pippen

IT Demand Forecasting

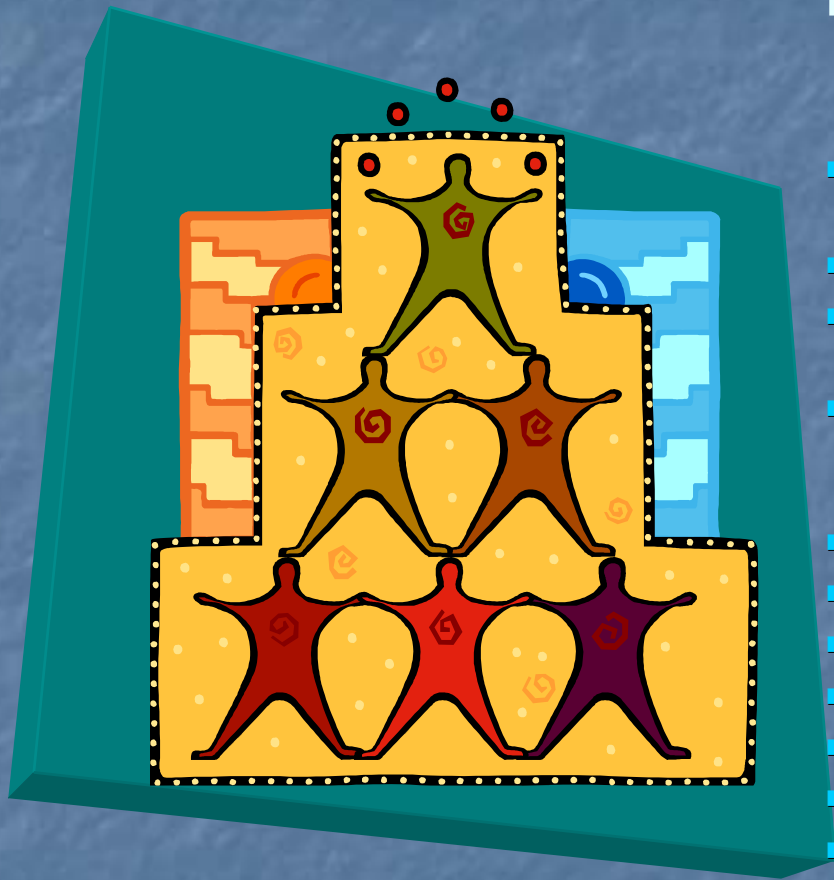


- Institutionalized at the CIO level
- 24 Month rolling forecast
- Monthly refresh
- Team managers forecast to FTE task level
- Rolls up to unit and overall IT level
- Forces collaborative planning across IT units (Shared Services, Integration & Web Services)
- Surfaces medium-term impacts early – business initiatives, projects, acquisitions, divestitures, etc.
- Allows effective use of internal skills searches in advance of actual demand
 - Biases toward use of internal resources rather than co-sourcing
 - Allows transitions to occur in advance
 - Allows re-training, skill development

"The best way to predict the future is to invent it."

-Alan Kay

Staff Development Activities

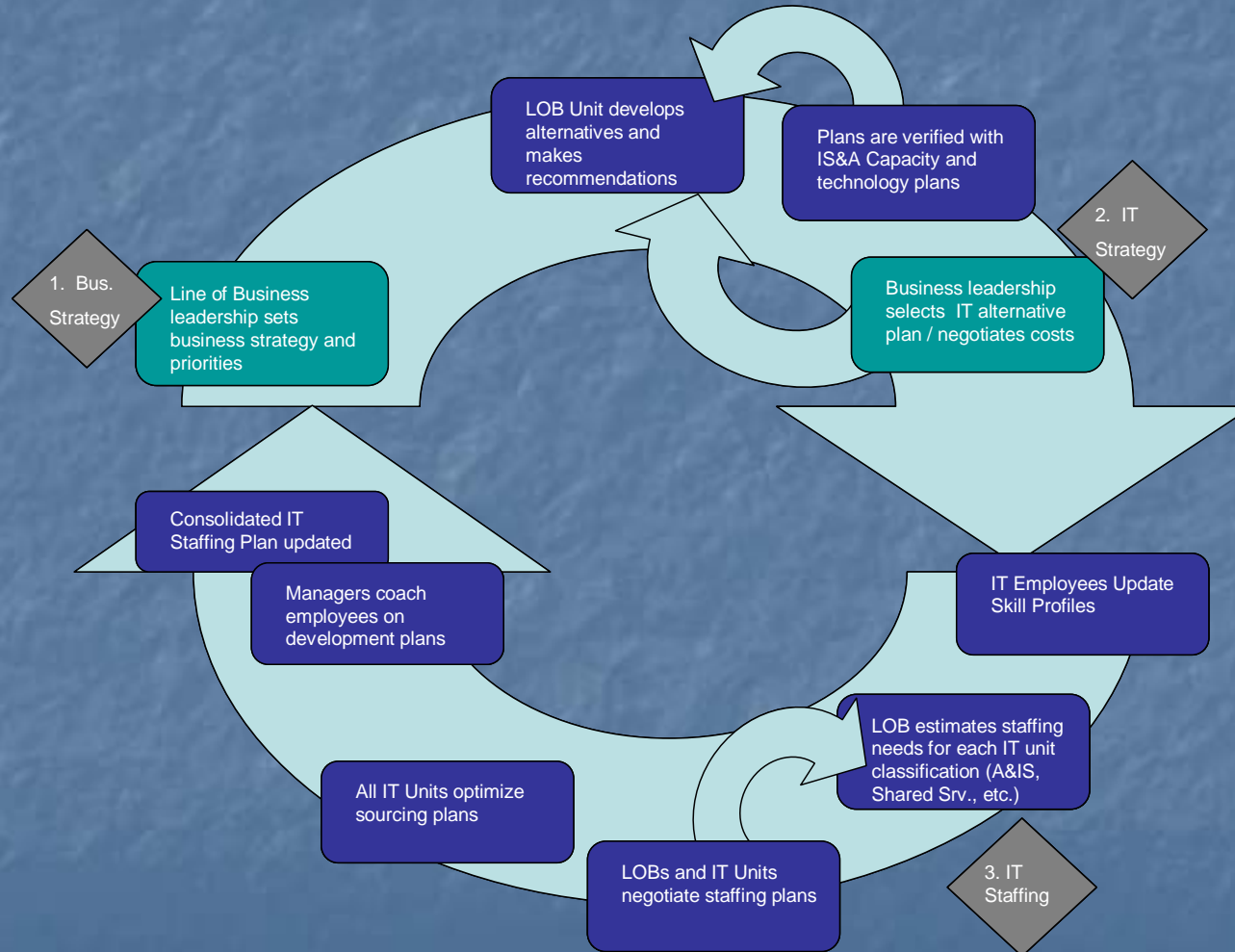


- Individual Development Plans – Mandatory
 - Augmented by Skills Inventory
- Contractor shadowing for knowledge transfer
- Technical training focused on expected skill requirements
- Soft skills training a key requirement supporting shift in skills from application development to business process development
- On the job training
- Selective hiring to known future roles
- Internship program
- Mentor Program
- Career development portal
- SAP Boot Camp
- SAP Competency Center
- Leadership training institute

Learning by experience often is painful- and the more it hurts, the more you learn.

-Ralph Banks

Integrated IT Resource Management Cycle



Life is like riding a bicycle. You don't fall off unless you stop pedaling. -Claude Pepper, (attributed)

Constructive IT Staffing Policies and Practices

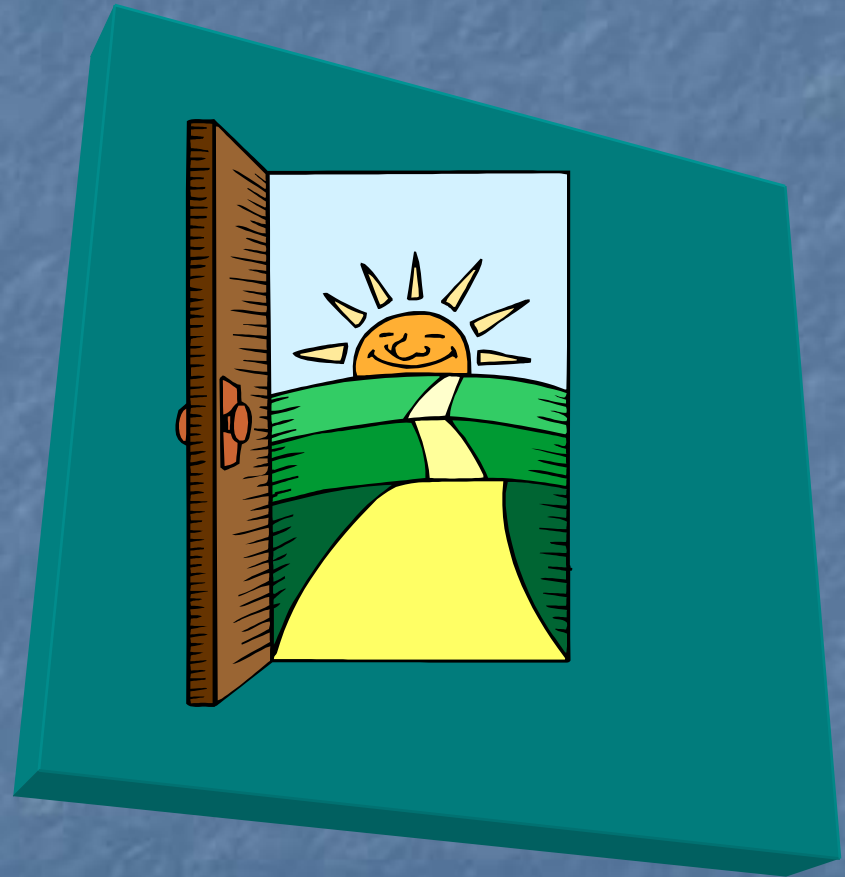
- Staff to business-aligned demand
 - Build strong business-IT relationship and communication
- Formalize demand forecasting
 - Linked to business strategies and initiatives
 - Regularly updated
- Leverage intellectual capital
 - Know what you have (skills assessment)
 - Aggressively develop to forecasted demand roles
- Use sourcing options judiciously
 - Outsource non-strategic standard support
 - Co-source / contract for specific objectives
 - Short-term spikes in demand
 - Specialized technical skills needed for finite term
 - Legacy support targeted for elimination
 - To free employees for development and movement to strategic demand activities



If you must play, decide upon three things at the start: the rules of the game, the stakes, and the quitting time. -Chinese Proverb

Benefits of Integrated Management

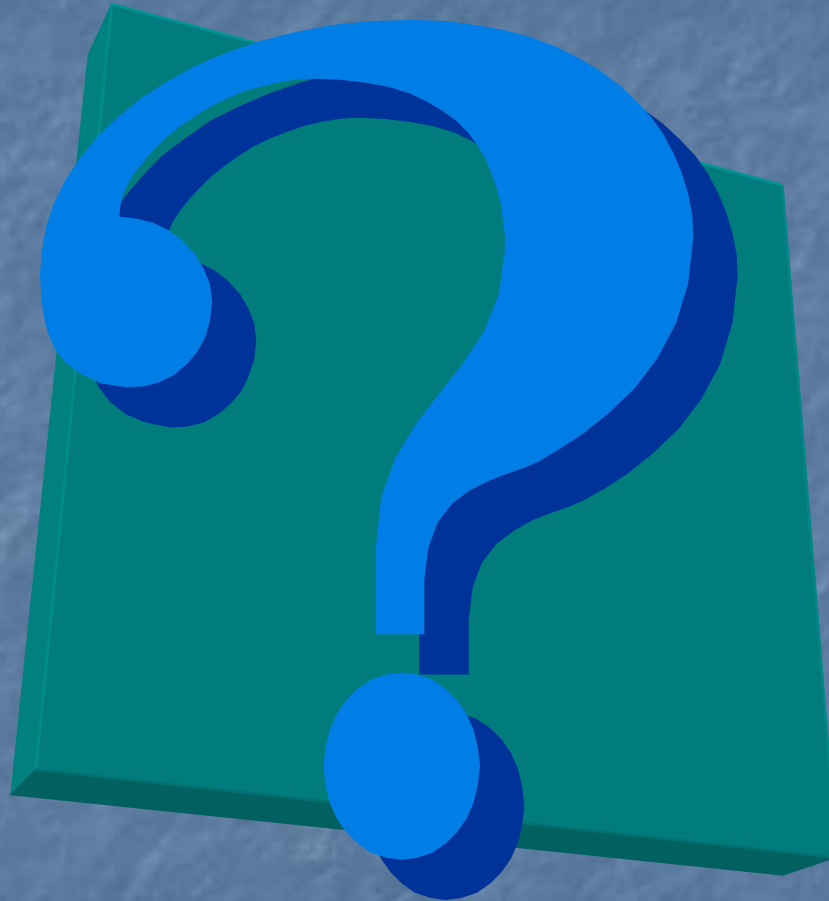
- Business led – business aligned
- Enables best-fit sourcing
- Proactive development and staffing decisions
- Development targeted to actual future needs
- Walks the talk on employee value
- Optimizes alternative sourcing options



"Insanity: doing the same thing over and over again and expecting different results."

-Albert Einstein

Questions?



"It is better to debate a question without settling it than to settle a question without debating it." -Jeseph Joubert