

Digital Transformation... by any other name?

Learning from other industries

I was reading an [article at CIO Dive](#) about the CIO at cosmetics conglomerate Estée Lauder Companies Inc. and it resonated with a transformation we are undertaking in the pharmaceutical industry. The thing I love about these types of situations is the broad applicability of good thinking, but also the value of “stream jumping”, a term I picked up from an agency I worked with in a past role focused on innovation. The key idea of this stream jumping is taking lessons from adjacent spaces and applying them to your challenges, not being constrained to “my industry”.

In the article, the author Mitch Betts says: Michael Smith joined the New York-based “prestige beauty” company as senior vice president and chief information officer, information technology last year, with a mandate for pushing IT innovation to help the company stay abreast of the fast-moving beauty industry, where an Instagram photo of celebrity’s new lip gloss can drive sales.

While the drug industry is not reactive to that degree, our engagement is around delivering life saving medicines as quickly and effectively as possible. As a part of that journey, the patient connection is taking an ever more prominent role, whether it be in the trial compliance or reporting, medical routine compliance, or health monitoring, or any of a number of other scenarios.

Mr. Betts lists the year one accomplishments for the CIO and his team.

1. Reorganizing IT to align with business units, instead of technologies, so IT stays can stay close to business needs.
2. Hiring IT talent, globally, with new skill sets.
3. Fostering greater IT agility and speed, such as moving from waterfall to agile software development processes, and breaking down walls between applications and infrastructure groups to adopt DevOps.
4. Moving from a buy-and-integrate IT strategy to building systems in-house when they provide a competitive advantage

It is interesting to see the pendulum swing on these principles, as over time I have seen a few of these move in and out of favor. What is particularly encouraging is the **recognition of the value of Agile software development and DevOps**. This helps de-risk some of the moves to build vs buy and business unit alignment of IT functions.

The classic waterfall model tends to drive a centralized service mindset, and long lead to value cycle times, which creates a host of challenges in meeting expectations, both customer facing and internal delivery team focused. When coupled with decentralized business alignment, it creates a continuous conflict for service time, and generally leads to infighting in my past experience. It is possible to make it work, but the effort expended is not commensurate with the value returned.

An agile approach, coupled with decentralized IT staffing can potentially yield optimum results, however there is opportunity to drive efficiencies into the model through replication of core services. The ideal match for this approach would be a scalable, SLA driven managed service provider approach to the commodity centralized services – “classic IT”, while devoting the employee headcount and leadership to the business facing roles and the intersection roles.

Every managed service has an inward facing employee accountable for performance. These leaders are measured by each business facing lead, as well as the internal metrics. This will help ensure a balance of efficiency vs. effectiveness in delivery of value, while taking the complexity of scaling and growth off the plate of the business facing teams.

The article does not go into any detail about the specifics of the alignment, but this is yet another in the trend I am seeing around the recognition of the value in taking an agile approach, and adopting agile development practices. This concept scales beyond the software development, to collaboration, organization and most other value streams.

This transformation for Estée Lauder, as well as the others in flight, will be interesting to watch over the next year. This is especially true as we are in the beginning stages of our own internal changes!

[Link to the original article](#)