

Abacus? Computer? Efficiency!

CIOs brainstorm on security, business culture and best practices.

By Sheila Lam

Bottom Line:

- Achieving efficiency in the workplace relies on good use of technology, as well as culture change and information sharing.
- Constant upgrades and changes in technology are the biggest challenges to achieve efficiency.
- Security concerns have caused firms to shy away from adopting new technologies.

Technology in the business world gets work done much faster and easier. No matter whether the device is an abacus or a computer, as long as it does the job faster, it represents good use of technology to improve business efficiency.

But, according to local IT professionals, achieving efficiency requires skills beyond mastering technology. At *Computerworld Hong Kong's* recent CIO roundtable event—sponsored by HP—heads of IT and CIOs shared experiences on doing things faster and better using technology and beyond.



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Culture of improvement

The proliferation of IT has helped to reduce the intensive work, but the non-technical management skills that help develop a culture of improvement is equally important, noted Andrew Ling, regional IT manager of Bossini.

On the technology side, Bossini recently installed an application to track customers flow—a job formerly performed by a shop assistant. The application, with a camera installed at the shop, tracks the number of visitors every day, then matches that figure with daily transactions to measure the individual shop's performance.

“When we look at employee efficiency, we look at it broadly,” he said. “We always look at the lead time—how to serve customers faster—but we also look at the innovation side, like how to better serve them and deliver what customers need.”

Ling said non-technical management skills are required to develop a culture for increasing efficiency. To develop that culture, the company sets different goals for staff using key performance indicators as well as providing incentive programs.

He said well managed business processes can produce impressive

results. For example, according to Ling, European fashion retailer Zara's has a design-to-market product cycle of only two months, as compared to nine months for most local retailers. So last year Bossini created a new position—process improvement manager—whose job is to monitor business processes to help increase efficiency.

Information sharing

At the Hong Kong Jockey Club (HKJC), achieving efficiency means information sharing.

HP Suen, manager of IT operations at HKJC, noted his desktop support staff has developed a check list of possible desktop errors for users, who can go through the list and potentially solve the problem before requesting desktop support.

"It's really about the information that you provide to the staff," said Suen. "Without that additional information, he or she won't be able to make the right decisions."

Victor Lam, chief system manager at the Office of the Government CIO (OGCIO) agrees. As the major IT support and management organization for the Hong Kong government, the OGCI has many IT-literate staff. But to allow them to provide better and faster IT services, knowledge sharing is essential.

Lam said his office recently set up a VoIP system that integrates an instant messaging system to improve cost efficiency and communication. He added that the office has created online forums and knowledge portals to share best practices and experiences in using different technologies among staff within and without the OGCI.

"We also feel there's a need for culture change," he said, "because in the past, we [haven't been] familiar with sharing knowledge, so we have set up a number of initiatives to create that culture."

To develop this information-sharing culture, Lam said the office has set up "communities of practice," which covers issues including security, wireless technologies, IT cooperation with the mainland, and government IT strategy. OGCI staff and IT professionals in other government departments as well as suppliers are encouraged to share information and experiences. The best contributor of each community is also elected annually and awarded, to encourage the sharing of information.

Do the right things

"There's always a better way for us to do things," said Sunny Lee, head of technology business at Towngas. "I think efficiency is about doing things right, while effectiveness is about doing the right things. The two must arrive hand in hand."

If a firm concentrates on serving customers faster without understanding their needs, the result might be upset customers, he said. While technology is essential for the company to efficiently serve its 1.5 million customers in Hong Kong as well as



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customers of Towngas's 33 operations in China, non-technical initiatives play a big part in serving the customer effectively, said Lee.

Lee said his firm has introduced a key management focus (KMF) program in which senior management identify key focus areas to improve operation quality. These include areas of improving safety at the workplace, or improving safety of the gas delivery system, or reducing unpleasant calls at the call center.

In addition, the "We Deliver" program holds senior management accountable to deliver effective services. Every year, management's performance is accessed by his/her ability to deliver a set of promises. "That put us [as senior management] into focus on tackling the right things," said Lee.

Driving with technology

"[Using IT is] like driving a sport car," said Lee. "If you don't know how to drive a real sport car, like a Ferrari, you might end up killing someone."

Lee used the example of a CRM system. While it allows the company to access and analyze customer data, a CRM system requires a lot of data input, which creates more work and stress for the operational staff. Then when the data are collected, other applications are required to mine, sort and store the data. "So we are [constantly] creating problems for ourselves," said Lee.

Another challenge for CIOs is managing equipment and systems performance as technology vendors constantly upgrade their products.

"Microsoft improves products way too fast," added Thomas Ng, head of IT division, DahSing Bank. "Before users are able to learn the new features, it's upgraded again."

He said that many of these upgrades don't deliver business value, but instead force increases in spending. Ng com-

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pared this syndrome to mainframe-based computing, noting that some mainframe-based applications have functioned for 20 years or more, are still working well and serving the business purposes they were designed for.

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Apart from upgrading technologies, resources are often spent in integrating old and new systems, which he said also brings no added value to the system, other than ensuring the business operates consistently.

Chee Yin Khean, senior business consultant, enterprise client solutions, HP, agreed that dealing with constant technology upgrades can be vexing. “Because technologies change so quickly,” said Chee, “you put in the new machines and only in a few years, you will need migration to new technology again.”

To solve the problem, Lee suggested that IT managers use technology in an appropriate level and manner. “Make sure we use the right dosage of IT, just right to address what that organization needs,” Lee said. “It’s more an art than science—easier said than done.”

IT managers should apply technologies that match the organization’s specific environment, instead of copying how technology is used from one organization to another, he added.

Security vs efficiency

Workplaces are no longer limited to an office. While the flexibility of mobility brings work efficiency, security becomes a bigger challenge.

HP’s Chee said that, by next year, 50 percent of global enterprises will adopt a highly mobile workplace, meaning they will expect their employees to work anywhere. At the same time, more sensitive and critical corporate information will be sitting on these mobile workers’ devices.

“We’ve developed an initiative called ‘waterwall’ rather than firewall,” said Ng. The initiative aims to enhance security not only by scanning information entering the corporate network, but also to prevent the leaking of data outside DahSing Bank.

For others, the common security approach is to keep up with security updates and follow best practices.

“We provide different access levels according to end-users’ identities and positions,” said Lam from OGCIO. “We also subscribe to reports from analysts like Gartner and Ovum and apply best practices within the office.”

Instead of enhancing protection, for some companies, security is such a big concern that they are balancing lower efficiency against higher security by cutting back the adoption of new technologies.

“I’ve heard [of] companies [that] stopped deploying Wi-Fi or using wireless, because it is putting a big hole in security,” said Lee. “It’s unfortunate that we have to cut down on the use of IT because of security. This will also bring less incentive for vendors to develop new products.”



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Dealing with business

While achieving efficiency through technology remains the major task for CIOs, new business roles for CIOs can be distracting. As Towngas expands its business in China by implementing joint ventures, Lee said the team has to deal with educating and integrating operations from different IT systems, business process, as well as overall business culture.

“We are always off-balance,” he said. “It takes resources from our operation and IT systems.”

Many of the resources are put into achieving two-way communications to understand new users’ requirements and to educate them with best practices.

To reduce the differences and complexity among the operations, the company has standardized its use of technology. This standardized strategy not only al-

lows Towngas to achieve standardization and easier integration, but also brings better purchasing power.

“We do a lot of centralized procurement,” he said. “For example, with PCs, we use one single brand. We use standardized models and equipment to ensure compatibility.”

Dealing with expectations

“We are very much focused on financial results,” said Ng from DahSing Bank.

Ng said the bank’s management is concerned about financial returns on every investment. However, achieving efficiency through IT is difficult to measure in monetary terms. Despite management’s overemphasis on financial returns, he said the problem can be solved with better management of users’ expectations.

Suen from HKJC agreed. At the Jockey Club, the IT team works closely not only with the management to ensure expectations are met, but also with the financial department to “bump up the value” of the project.

“IT will never be able to make money—there’s no point if you are trying to talk about the figure [financial returns],” he added. “How much the efficiency [initiative] is worth really depends on expectations management.”