

# The CIO Series

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Information Technology (IT) can and should function as a business unto itself, not as a support organization, says Brent Hoag, vice president and chief information officer (CIO) at Diversey, a leading business-to-business provider of institutional cleaning and sanitation solutions. "We have our own IT brand that we hope will stand the challenges over time," he says. At Diversey, IT generates innovation and value through internal marketing campaigns that are tied to the company's growth.

Diversey's IT department services primarily internal customers — "we consider them our true partners," says Hoag; but he continues to say "Diversey IT has a mantra to offer solutions on par with any other service companies — Best Buy, Amazon, Apple — where people make a confident decision to consume our products and services. Should we ever get to a point where outside institutions seek our solutions, then we know that we are on the right path."

### RIGHT TECHNOLOGY, RIGHT FUNCTIONS

For Hoag, outsourcing non-core functions makes great business sense. "We have a totally outsourced department for technical skills. We do not have any internal support resources or developers." This allows IT to be technologically agnostic. "Our people don't get tied to a technology; rather, they are aligned to solution platforms consistent with how the business functions operate.

With support functions left to third parties, Hoag has structured Diversey's IT to drive four key areas:"

- An internal 'Run" group focusing on fundamental technology operations and execution of IT continuous improvement.
- An architecture group responsible for driving growth, technology governance, and technology scouting "to anticipate the business

needs and technologies of tomorrow that we can begin to pilot and tap into it today:"

- A transformation group that manages customer demand and "are charged with transforming our business. They serve as the ambassadors of our IT brand to the rest of the company."
- A value group that works collaboratively with finance, sales and marketing to bundle Diversey IT services in a way that maximizes value in the businesses. The value team provides a high degree of intimacy with global customers to ensure that we are delivering value from their perspective.

"This has been a journey," notes Hoag. "We didn't get here overnight." Just a half a dozen years ago Diversey was a functional IT shop, busy reacting to needs across the company. The group's biggest challenge: being relevant. "If IT is reactive they are not relevant." Getting relevant — and getting a seat at the strategy table — took five years. The first challenge, he says, involved changing the IT mindset from reactive to innovative.

A personnel change helped. In 2005, a new CFO arrived at Diversey. "We were two years into our strategy of cost reduction through outsourcing and data center consolidation, and we knew it would be hard to get there," Hoag recalls. "A lot of people were tied to the technology; they were tied to the skill sets." The new CFO told IT to cut 40% of its



budget in 18 months. “We were already working on a strategy to cut costs by 30%,” says Hoag, who was confident he could deliver. In the end, Hoag’s group successfully cut 40% of its budget — and never looked back. “Our internal IT people wanted to work on strategic things, not support,” says Hoag. “They were happy to shed their support activities and turn them over to an outside provider while moving on to higher level activities that are valued by our customers. They weren’t afraid to give up their work because they had new opportunities. This took only 18 months because we had support from top management.”

Under the new CFO, through outsourcing and consolidation, Diversey IT went from 380 employees down to 100. Today they have 63 globally. The people who were let go were given a lot of transition time, says Hoag. “We helped them find jobs; there was no backlash. We gave people choices; we let them volunteer to leave the company and some were offered jobs with our outsourcing partners.”

## BECOMING RELEVANT

While outsourcing gave Hoag’s group a path toward a strategy, it did not make IT entirely visible. What did? Implementing Google apps in 2009 across a 12,000-user enterprise. This strategic move affected everyone in the organization. Since it involved email and calendaring, suddenly everyone at Diversey could see what IT could do for them.

This was a conscious decision, says Hoag. “Our team was ready and we needed one event to have a big impact.” The Google apps launch was the event they sought — something everyone could see and use, something that would have an immediate impact on day-to-day activities. “We decided on Google apps because everyone in the company uses email, and everyone uses a calendar. We gave people an app that they were accustomed to using

in their daily life, not some industrial app.” Right away, people saw how this mattered to the company in terms of sustainability and speed. “People want Google,” says Hoag, “not an industrial product that isn’t user friendly. This was the beginning of our consumerization of IT”

Initially, Hoag’s team approached the Google implementation like any other 12-14 month IT implementation project. But once the pilot group began working with Google apps, and everyone saw how much collaboration it provided, Hoag decided to make it available to everyone immediately — with no beta testing. “It was a lesson for our team. This isn’t about implementing new hardware or software that we are developing. It was about change management and putting people on a system that already operates globally for millions of users. This is going to work. It’s Google.”

Google apps put Diversey’s internal IT brand on the entire company’s radar. Upon launch, everyone immediately experience the benefits.

## FIRST-TIME FUNDING

Of course, nearly every solution faces challenges on its way to implementation. In this case, the two biggest were funding and speed-to-delivery. “This initiative wasn’t an order from the business for IT to execute,” says Hoag. In fact, IT had never received funds for a discretionary project before. “For us, the benefits of the project had to sell themselves. We had to sell senior management on the fact that we could deliver, and then we had to show we could deliver fast.” Hoag’s group got the senior team’s confidence because, for two or three years prior to that, they had promised they would deliver on time and on budget for every project they took on. “And we met our promises,” recalls Hoag. “So the business trusted us.”

For the Google apps project, Hoag says the company took an approach of “selling top-down and





bottom-up simultaneously.” The 12 leaders at the top of the company each have specific responsibilities. So Hoag’s team sold something specific to each one. Interestingly, there was no presentation on costs or benefits. “We came in and gave them a demo,” he says. “We showed them from each perspective what they can do. We showed HR how to reduce risk. We showed sales the mobility they’d get. We showed other functions collaboration, and we showed the CEO how he could communicate to the whole company. We showed sustainability.” HR, without even being told, realized that everyone in the company finally would be able to get email as virtually everyone owns a handheld device. “It was one of the best meetings I’ve ever attended in my entire life.” He got the green light from the senior team shortly after the demo. “We had their support right away.” The six-month initiative, which cost \$1 million, was the fastest implementation to date of Google apps for a company of Diversey’s size, according to Hoag.

The \$1 million investment was nothing compared to the benefits. “Google apps represented the number one ROI (return-on-investment) project in the company’s history.” In taking on the project, Hoag says that the top criterion was sustainability. “We save a lot on carbon emissions, and not just because our servers were replaced by Google’s. We avoided \$2 million in costs we would have spent” had Google apps not been implemented. The savings came in part from Legal and HR using a cost-effective e-discovery system for which Google provided functionality. Diversey also reduced its telecom costs because of how people could collaborate using email, docs, and chat. Today, instead of using the phone, Diversey employees routinely use Google chat. “We had six people supporting our old legacy email function,” notes Hoag. “With Google, there are none.”

Diversey dispensed not only with company-issued BlackBerry devices, but with their enterprise server

as well. “Previously we only allowed the top 200 people in the company to use that server anyway,” says Hoag. “That meant we had 6,000 people in the field with no email on their hand-held devices.” Today, all 6,000 have remote email and calendaring through Google apps — and they can use any hand-held device they want. “These were huge savings.” Additionally, there were significant licensing savings because Google’s fees are relatively low-cost. Google apps helped Diversey increase compliance and risk management while empowering employees to work anytime from anywhere, from any browser — all while dramatically reducing telecom costs.

## BUILDING EXCITEMENT

There are intangible benefits as well. Aside from the impressive ROI, today there is a perception that IT is trusted at Diversey. “There is money set aside each year,” says Hoag. “They give it to us and say, ‘We don’t know what you’re going to do, but it’ll be cool, we trust.’”

In the wake of the Google apps success, Diversey IT established its own internal sales and marketing team to help build excitement for future projects. “Saving so much money in the process got us thinking that we had to be our own business, and that there was a sales and marketing effort needed. That’s been powerful for our team,” Hoag observes.

Today at Diversey, IT’s role is to turn people on to technology, get them excited and launch new products “long before the tools of today become outdated,” says Hoag. When his group heard that Diversey salespeople wanted a robust, cloud-based customer relationship management (CRM) system, it configured one as an initiative using money from the new funding tool. “We made it available and 30 people got it right away. They used it, and then more and more people used it.”

For each new initiative, Hoag enlists champions in each area who demo to their colleagues. For the



CRM project, he says, “We wanted 300 volunteers, but half the company volunteered. It was an easy sell.”

Of course, the Diversey model requires strong outsourcing partners. “We leverage an ecosystem of partners to deliver services,” says Hoag. “We expect our partners to bring us ideas, to help us understand the new technologies on the horizon and how we will be able to deploy them. We bundle the services using our partners and we rely on them heavily.” One of Diversey’s most important outside technology partners helping to support the efforts is Wipro Technologies.

For Hoag, teamwork is key. A former champion tennis player, he believes tennis is “a great combination of strategy and execution,” though he prefers team sports as a spectator. “I like watching how a team works together,” he says.

Like most innovators, Hoag has a keen eye for watching others in the technology field. Steve Jobs is among his favorite to watch. “I think about the things he has done around innovation and brand, and it’s amazing. Now with the iPhone, with the

iPad, all these big companies are trying to find a way to get this stuff out there successfully. He made that happen — innovation with customers in mind.”

## A WINDOW INTO THE ENTIRE ORGANIZATION

Pointing out that the CIO role has only been around for about 20 years, Hoag says he is enthusiastic about the next couple of decades. “I see IT becoming more embedded in the business process.” He believes that the role of IT will change. “We are becoming service brokers, sorting and bundling, rather than creating it ourselves.” The CIO role, he predicts, will become even more enterprise-wide. “There are very few functions where you get to see everything in the company, the breadth of every discipline. In finance, you see finance, not marketing. Departments see their connection to the next group to which they hand off, but not the whole picture. But IT has a window to the entire organization.”

At companies like Diversey, IT certainly sees the whole picture, and helps everyone else to see it, too.



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