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# Managing the New IT Organization: Lessons from Velcro Companies

**By Richard Berry,** Director-Global IT Infrastructure & Technical Services, Velcro

It sounds like a cliché, but change is constant in business and in the world of Information Technology. I joined Velcro Companies nearly seven years ago from a financial services firm, and the switch to a global manufacturer has been a refreshing change, but the pace of change is just as swift.

Velcro Companies co-operate manufacturing facilities in four continents and serves customers worldwide. VELCRO® Brand products can be found in many industries, from hospital equipment and food packaging to automotive seats and children's toys. Our products have traveled to the moon, secured the turf on professional football fields and secured Kevlar plates in U.S military apparel.

I'm convinced that good IT support can be a source of competitive advantage for a global manufacturer. Our IT system has to keep pace with a dynamic global environment. It is essential we have an IT infrastructure that can adapt to the needs of our business.

We like to say we make amazing connections every day- for customers, colleagues and business partners. The IT organization plays a key role in making that happen. We bring innovation into every facet of the company.

In some ways, the secret to being a successful IT leader is to forget everything you learned in the past. I'm oversimplifying, of course, but my point is that the way we approach IT today is very different compared to just a few years ago.

I have identified several trends that are shaping our IT strategy that turn old ways of thinking on their head.

## The Infrastructure-Light Approach

Traditionally, managing the corporate IT function was a little like running a railroad. You purchased big-ticket equipment and maintained a lot of infrastructure, from servers to data centers. Today, our infrastructure is much lighter. By using cloud-based computing, for example, we are able to focus on business needs instead of maintaining physical assets.

We moved our email and document management to the cloud about four years ago, and other services are set to follow. The cost savings are significant, but improving our ability to adapt the changes in demand is important. That is something that would have been very difficult on our legacy systems.

Because we can adapt our IT needs quickly and at a known cost, the cloud allows us to seize new business opportunities. We recently completed a significant acquisition and were able to quickly add IT capacity in the cloud. We're integrating that purchase much faster as a result.

## The End of Speculative Budgeting

Budgeting has changed, too. Traditionally, IT investments were made on speculation through a very opaque process. Companies would buy a new product and expect that business growth would create enough demand for it. And because IT was so complex business leaders didn't ask too many questions, allowing this pattern to persist for years.

Today's business managers are much smarter about technology and they are demanding more transparency in IT spending.

Richard Berry

And IT is no longer removed from the front lines. Gone are the days when IT cooked up applications in a secluded bunker and imposed them on the organization. Today, IT is linked to every part of the company and is seen as a vital business partner.

This environment is also changing the type of people we hire. Today it is less important for us to have hard-core programmers and technicians. We prefer people with a strong sense of our business and an orientation toward customers. The IT professionals who can get close to customers and develop innovative strategies and tools to meet their needs will be very successful.

Indeed, innovation is at the heart of what we do at Velcro Companies. The VELCRO ELCRO Brand hoop-and-loop fastener was born from a walk in the woods by a determined inventor who was curious about the cockleburs that stuck so fiercely to his trousers. Sixty years later, we are still innovating, developing new products to make life better. That same spirit of innovation infuses our approach to IT.

## Embrace Risk

Of course, the changes I have described can stir anxiety among CIOs. Many worry about losing control or believe that cloud computing is less reliable or secure. These are risks that shouldn't be ignored, but they should be considered alongside the benefits, too. Embrace the risks and they can be managed more easily.

Adapting to new innovations like cloud services can be difficult for many CIOs, but it can reduce the burden of maintaining hardware and allow them to focus on higher value tasks. It can help them make an even greater contribution to the company's success.

We hold our IT partners to very rigorous performance standards– a worry that keeps CIOs from embracing cloud services. We insist on clear metrics and high performance goals.

People once believed secure systems had to be difficult to use. They were willing to jump through a lot of hoops with passwords and authentication to get into a secure environment. Now they want both high security and ease of use. They want to be able to arrive in the Hong Kong office, turn on their laptop and get connected seamlessly. It's added a level to Maslow's hierarchy of needs. Once people have food and shelter, the next thing they want is Internet access, at any time and from any place.

It will always be a challenge to find the balance between protecting the IT environment and enabling the business to flourish. That's ultimately our job, every day. For Velcro companies that have helped our IT team become a true partner in driving the company's growth. CR

## The New IT Paradigm

| | Old Model | New Model |
|---|---|---|
| Infrastructure | Own, operate, maintain | Flexible, on-demand |
| Budget | Speculative budgets, opaque process | Transparent, business-linked budgets |
| People | Specialist IT programmers | Generalist, client-focused |
| Organization | Remote, isolated | Business partner |
| Performance | Command and control | Risk management |