



HDI Motown Chapter Meeting Minutes

Topic: 6th Annual HDI Motown Executive Panel

Date: 09/18/2009

Location: Oakland County Executive Building

Meeting Minutes:

- Welcome – Dan Wilson

SPEAKERS

- Phil Bertolini, Oakland County, CIO/Deputy County Executive
- Jeff Christofis, Kelly Services, Director of Infrastructure Operations & Services
- Sean Flater, Volkswagen Group of America, CTO
- Barry Fleischer, Optimum Technology, CEO
- Frank Petersmark, Amerisure Mutual Insurance Company, Vice President of IT
- Theresa Rowe, Oakland University, CIO

EMCEE

- Dave Willmer, Robert Half Technology, Executive Director

- Panelists Questions Part 1:

NOTE: The notes below represent a summary of the answers given by panelists, not verbatim quotes.

Present

- As key corporate executives, what are you doing to collaborate with local/state governments and businesses to address the problems facing Detroit's economy? How are you urging your employees to address the same issues?
 - **Flater:** Urging employees to ensure understanding of current market, be responsible, show value to the organization, and supporting their own career growth
 - **Petersmark:** Encouraging people to be politically active and get involved with the regulatory part of the business. Understanding the direct line of site between their paycheck and helping encourage legislation to help businesses to thrive
 - **Rowe:** Three part mission in teaching and learning, research and community outreach. Ensuring students are prepared to work in the new economy. Partnering with businesses to understand their needs and prepare students. Corporate sponsored research that companies can integrate into their environment. Actively involved with small to mid-size business owners.
 - **Fleischer:** Commitment to be mentors to other technology companies. Help other companies to utilize Optimum Technology's distribution to grow their business (business mode).

- **Christofis:** Unemployment rate is very high, specifically in the Detroit area, but for IT professionals it is only about 5%, there is still a demand for IT professionals. There is a shortage of IT and Science professionals in the US. Encourage people to grow and maintain their knowledge and trends. Companies will start looking at high population of IT and Engineering professionals in the Detroit area to supplement their needs.
- **Bertolini:** Through initiatives such as Automation Alley, trying to bring new companies and jobs to Oakland County to build up the job base. Brought in 16,000 jobs. OU medical school will bring in 11,000 jobs. The numbers start to add up. Asking employees to take pay reductions for the next two years and asking them to do more. These are tough times, asking our employees to step up because the communities need the government now more than ever. Looking into more public and private partnerships.
- What experiences have you had with off-shore support and what is the customer end user perception? Do you see off-shore support coming back to the U.S.?
 - **Petersmark:** IT was outsourced back in 2001 and it didn't work well for them. They saved money, but didn't receive the value in return. The model has come a long way since then (2001-2003). They used a company that was not mature in their processes and Amerisure customers weren't ready for it. *Do you see the trend to come back?* – the sense is that the off-shore work will be coming back to the US. Customer service is key to differentiate in this economy.
 - **Christofis:** Off-shoring development created other roles necessary like QAing, etc. People realizing they can do this from here. From the help desk perspective, companies realize it's costly in the way of customer satisfaction. Bringing support back to the US means competing from a cost perspective, but more importantly, exceptional customer satisfaction. Companies will be willing to incur other costs for satisfied customers. Also, technology companies no longer need to purchase all the technology and services due to the cloud, virtualization, etc. No longer need to provision all this gear. And alternative work situations – at home work force for people to work from home helps eliminates brick and mortar costs.
 - **Flater:** VW has services off-shored, the approach was cost-effectiveness in early 2000s. Now they are trying to source to the desired business outcome, driving value with IT providing value to the business. Cost effectiveness will always be a factor, but make sure you match that to the services and where you need the flexibility. Help desk was the first service that was brought back to the US as a model. Recognized the closeness of that function to the customers and IT consumers.
- What is your organization's most important project(s) at present and for 2010?
 - **Rowe:** Education is going through an overhaul with all new delivery models. Classroom technologies, online modules, content delivery, new CRM system for recruiting students. Storage continues to grow, intellectual property security, virtualization, lower power footprint (green initiatives), total asset management – trying to identify all assets (including data elements given new technology (the cloud)). Growing contract and

vendor management skills, making more and more decisions about what's core at the university, and what needs to be kept there. Determining what can be reasonably outsourced (e.g., to the cloud). Then, collecting all of the above as assets: Software, hardware, data, where data is exchanged (and is it secure).

- **Petersmark:** Amerisure's main product is information. How information drives value to the organization and customer. Using the cloud to drive cost-savings. They have all thin-client at desktops. Security. Business intelligence. Any way they can conjoin processes with their customers so they are doing less back office processing. Businesses are looking at IT to enable these changes.
 - **Fleischer:** Figure out how to go from 100% face-to-face marketing and sales to 80% via internet, video, skyping, etc. Finding other modes to reach the end-user. People really don't want to have meetings, so they are finding out how to get the information they need in a shorter amount of time.
 - **Flater:** VW is building a US factory in Chattanooga, TN. The challenge is turning the company from a sales and marketing company to a manufacturing, sales and marketing organization. Working on how to expand IT without over-expanding.
 - **Bertolini:** Predictive maintenance and road and water infrastructure. People need these services, even if they don't like them. People need their services quickly and cost-effectively. Effective use of technology dollars during tough budget times.
- What do you believe is your organization's perceived value of the Service Desk/Help Desk?
 - **Bertolini:** Previously, people bypassed the 5 previous inefficient help desks. Then, they centralized and pushed all functions through the consolidated service desk. Now they are getting the metrics needed to run the business. They found they needed a methodology so started following ITIL. The culture shifted, people must have a service request through service desk to get through. A knowledge base was key to driving first contact resolution. The investment was well spent with the benefit driven back to organization. Don't just put technology in without methodology and process. Technology is just a tool. He believes customers are much happier today.
 - **Christofis:** End-users (branch, temps, and external customers) perceive the Service desk as outstanding, this took a long time to achieve through process, technology and people. Internal business users believe that if IT could build better products, they wouldn't need a help desk, they are not interested in the help desk. As long as no noise coming from the users, they are happy. But they don't perceive tremendous amount of value. IT Organization perceives as a necessary burden.
 - **Flater:** Current user perception is low and rapidly improving as they move towards a Service Desk model. Executive management recognizes this is a key initiative. Help desk is what 95% of people see as IT. Needs to show value.
 - **Rowe:** Their support is unique in that they have 41,000 registered people who may come into their network on a daily basis. They have a pretty open network. Users will call the help desk if they can't access network and/or learning resources. Resolution is key because of time-sensitivity (homework is due, tests must be taken). Rolling help

desk knowledge throughout the company through knowledge management helped. Support through centralized help desk and desktop deployment groups. All being done with 3 full time people and student staffing depending on funding. This is a great learning experience for their students.

- As a CIO/CTO, what keeps you “up at night?”
 - **Petersmark:** Nothing. Everyone is under high-stress. He finds his work challenging and interesting. Tries to keep a long-term perspective on things.
 - **Rowe:** Thing like the strike at the start of the semester. Learned that social networking is presenting challenges to the delivery of official information. Can no longer take the time to craft official messages before information leaks via other methods such as Twitter and Facebook.
 - **Fleischer:** Always feels the responsibility to know more than his clients or prospects. Concerned about furnishing the right information at the right time and managing change.
 - **Christofis:** Transitioning the organization from legacy to lean. Morale is low, people are concerned about the economy and cutbacks. Determining what new technology to risk to put out there. Regulatory compliance (PCI). Taking a more collaborative approach rather than dictatorial.
 - **Bertolini:** What concerns him: People. Everything done in government affects someone’s life. Technology at the government can mean life or death. As citizens of the State of Michigan, we need to be involved in how they’re managing our finances. We need to do what’s best, it affects people’s lives. He’s worried about doing less with less, they cannot do everything they used to do. How do we get people to consume and effectively deliver services while keeping our fragile economy going.

- Given the current economic climate, how are you cutting costs while continuing to improve service without reducing staff?
 - **Flater:** Finding the right sourcing model, moving away from single service provider to models that are based on business outcome. Change the yield from IT, get more value.
 - **Fleischer:** This is what his company does. They focus on reducing technology costs for companies then paying his company a small percentage of the money saved. In a lot of areas they believe there is low hanging fruit because most companies are so busy doing all things, they cannot be a specialist in every area. It’s all about ROI. Also ensuring you receive credit for soft costs that are hard to capture.
 - **Rowe:** Looking at every service and looking at penetration and utilization of the service and eliminating those that aren’t utilized. Emphasizing processes, trying to be as Lean as possible. Bidding out everything and getting cost comparisons. Right Sourcing – long term cost analysis. Emphasizing knowledge development with the staff – individuals have to have a broad skillset, they are not cutting costs in training.

- **Christofis:** Improving efficiencies. Transitioning from traditional infrastructure costs (cloud based computing). Looking at different ways to deliver services – multi-channel capabilities (chat, forums, self-service (publishing your knowledge-base)).
- **Bertolini:** They have to reduce staff (mostly through attrition). Web 2.0 tools – created a cost-reduction blog that IT employees could add their research to (saved .5 million dollars already doing this).
- What do you think corporations and government can do to draw and retain talent locally?
 - **Christofis:** Help the companies you work with be successful. Focus on things you're doing, don't try to reinvent the wheel – educate yourself and be more effective. Cannot draw talent if the need isn't there. Thinking about how to do things in new ways to grow the business.
 - **Bertolini:** Government cannot offer bonuses, etc., but they can create a good place to work and empower their employees, the real problem is many college graduates are leaving the state for jobs. We have to find a way to get those people back. They need to realize that in this economy – the people at the ground floor when it turns around will be successful. We have to show them why they should come back—because Michigan is resilient.
 - **Rowe:** Students feel hopeless that the jobs aren't here. We need to talk up the positive things happening, particularly with technology. When they see a new job, it appears to be tedious. We're advertising work in the business world as dry, tedious, mundane. We need to portray our IT jobs as more exciting. Once we interview them, we give the perception that we are extremely rigid and inflexible. Today's students are seeking flexibility. Find ways to be positive and upbeat.
 - **Petersmark:** Employees really want to feel like they're making a contribution. Make efforts to involve employees, what are your ideas?...Encouraging people to be innovative. Think about how we define working locally – recruiting through virtualization to hire people from different parts of the company, and then make them part of a virtual team.
- 15 minute break
- HDI Chapter/National Updates – Dan Wilson
 - Upcoming Motown Meetings—see the HDI Motown website for details on remainder of 2009 meetings
 - October Meeting**
 - Topic:** ITIL Service Catalog & ITIL V3 Overview
 - Date:** October 9th
 - Location:** Kelly Services, Troy
 - ITIL V3 Foundations Class October 5-7 from 9AM-4PM at Volkswagen of America in Auburn Hills

- HDI Analyst of the Year – forms due by Oct 31st, Winner announced Dec 11th, Regional Competition in January. Testimony from Dave Willmer. Forms are on HDI website.
- Giving Back Program – HDI Bronze membership to people in transition – attend two consecutive meetings and get involved!

National Updates

- Microsoft | Learning + HDI – Microsoft Partnering with HDI to include HDI Certification as a requirement to the MCTIP
- HDI Student Membership – Silver membership offerings at the Bronze price (\$75 or 50% savings)
- Upcoming National Conferences—HDI Service Management Expo in November 9-11 and March 16-19, 2010 Annual Conference in Orlando, FL—details can be found at <http://www.thinkhdi.com>

- Panelists Questions Part 2:

Future

- What new and upcoming trends do you see your organization implementing and why?
 - **Flater:** Virtualization of storage, flexibility to be more responsive to the business. Employee Productivity. Response to Social Networking, blogs, etc. Moving to support the end consumer in terms of the vehicles, how to connect IT to the vehicle.
 - **Petersmark:** How to make it easier for customers to do business with them, eliminate process redundancies, sharing information, reducing duplication of effort. Virtualization and also by sitting down with the customer and finding out what actually adds value. Trending toward social networking for ways to be more innovative and creative. Something at the beginning state is “bring your own device to work” – If someone wants to come into their company with their own laptop, iPhone, etc, how to make that happen. Considering maybe an annual technology stipend for people who want to come in with their own technology.
 - **Rowe:** Our young people are very accustomed to carrying and using their own technology – it’s one of the trends.
 - **Christofis:** Agile development and the need to quickly stand up applications and show value of those applications. Compelling argument in Cloud Computing and Software as a Service – need to transition into our services. Business Service Management will continue to have some momentum and IT will be required to look at this.
 - **Bertolini:** Messaging, informing the public. Communication is a moving target, so they’ve enhanced their messaging capabilities with an email messaging system. Getting 80% link through from their emails to the website. Providing enterprise licensing. Will eventually have a massive list to push content out in an emergency (e.g., pandemic).
- Do you see more opportunity to use “Open Source” software, strategy, etc. as you’re being asked to do more with less?
 - **Christofis:** Kelly is not embracing open source. They are concerned about support. Not seeing a lot of it.
 - **Rowe:** Open Source is an important part of their strategy. Using the Moodle Virtual Learning Environment. They are looking at open source every time they do something.

- They do very little development at OU. They need an open source platform to be plugged in and working right away. This is very important to keeping costs down.
- **Bertolini:** Open source is an alternative because it limits maintenance and licensing issues. They build the majority of their stuff internally. Open source is a decision that has to be lumped into decisions about total cost of ownership. See what HR legacy costs did to the automotive industry.
- What challenges do you project our industry will be facing in the next 5 years?
 - **Petersmark:** As an industry, the expense challenges are not going away in the near term, particularly in Michigan. How do we demonstrate that we're adding value to the organization – how do you go from cost center to a central part of what the company needs to be successful? How do you lead in an organization? For insurance industry – customers, such as builders are hurting terrible due to lack of construction. Trying to work with their customers to work through their challenges.
 - **Rowe:** Need to watch the future development of high tech students. Need the high tech workforce in Michigan with personal agility. Need to be able to respond to a rapidly changing environment. Concerned about cuts in funding (state budget), tuition will continue to rise and at some point students will not be able afford their educations. The students need these skills to turn Michigan's economy around. If we keep cutting that will stop students from achieving skills need to turn economy around.
 - **Flater:** Keeping up with the changes in business and preventing IT from holding back the organization. How to ensure they have the workforce to cover all the new technologies. How does leadership keep up with having a workforce that is flexible.
 - **Christofis:** Differentiating between what needs to be core competencies to give the company a competitive advantage and what needs to be retained. Understanding what can be outsourced, right-sourced or partnering with other companies. Changes in the workforce, lifestyles and alternative work arrangements, what to do to attract technical individuals.
 - **Bertolini:** Remaining relevant and strategic to the organization. If they can't maintain that, they're not going to make it into the future. "What have you done for me lately?" and how to communicate that effectively. Constantly educating people on what IT does and why they do it.
 - What do you believe is your greatest challenge as you plan for 2010?
 - **Fleisher:** Budget cuts, companies have to have a very high perceived value before spending. If people are going to invest money, they want it back faster, quicker ROIs
 - **Petersmark:** Challenged to really do more with less. Expectation is that you will do something a little bit better every day with less resources. That's what being more innovative and creative is all about.
 - **Christofis:** Growing the business, recovering lost revenue and increasing the margins. IT needs to become closer to the business; IT can no longer be just "back office."
 - What educational requirements do you foresee are needed for future hiring in your company and our industry as a whole for Michigan?
 - **Rowe:** A lot of need for JAVA and dot net. Huge emphasis for ITIL and Service Management. Compliance framework, legal framework that every industry has to work through (e.g., HIPAA and Sarbanes Oxley). Students need to come in and learn the

business side in addition to their IT knowledgebase. Cisco Network Engineers – needed! Certification programs for Cisco are important.

- **Petersmark:** Part 1, educational requirement. Part 2, how to keep them in Michigan.
- **Flater:** Structured methodology of how to approach and solve a problem. In addition to learning the technology, need problem solving skills in a structured approach. *Any recommendations for problem solving skills?* Engineering programs, understanding first then seeking to resolve.
- **Bertolini:** Good communication skills. Have to be able to talk to people normally without acronyms and texts.
- **Rowe:** If you work with students, help them to learn problem solving and projects, helping them understand that they will have to stick to a project for years and cannot walk away from it until you get an A.

Closing Comments

- **Rowe:** Governance and organization of IT. This is changing. We're all going to experience organizational change
 - **Petersmark:** Trying to reinvent IT. Reinvent the relationship with the business and customers. Denotes a different skillset and approach. Really need people who can speak business and be good listeners.
 - **Fleischer:** As a consulting firm, they believe in working as an interface between the customer and vendors, they have the time and experience to do the research. They bring an added value. But in their organization, it's all about their consultant's ability to listen and communicate. Work very hard to get new clients and keep the clients they have through good communication skills. Finding who can communicate with the ability to learn.
 - **Flater:** Always growing IT's value to the organization. If you're not adding something to your resume every month then you're falling behind. Ability to embrace change.
 - **Christofis:** Leadership is changing relative to what used to work before, you have to figure out how to lead an organization or project. People want to contribute, want to feel like they're a part of something. Marcus Buckingham "Understanding your strengths vs. your weaknesses."
 - **Bertolini:** Technology is an enabler but without vision and executive leadership, you cannot be successful. As a public servant, they have no choice but to be successful. "We are from the government and we are here to help you."
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- Token of appreciation to Panelists and Emcee
 - Door Prizes – Joy Goverville and Janet Lankford
 - **Reminder:** Resources available on the Web including Archived Presentations--
<http://hdimotown.com/>

96 people in attendance