

Innovative IT-Management without Cloud and SOA

Matthias Moritz took over as CIO of Bayer HealthCare in August 2008. In the short time since, he has transformed the IT department of his division from technical service provider to business enabler. Moritz says the key ingredients of his current and future success are a strong game plan along with implementing a fundamental change of attitude in employees and the organization as a whole. Moritz has outlined how he achieved that sea change exclusively for cioneers.tv.

Moritz is in charge of Organization and Information (O&I), which in turn handles worldwide IT for Bayer HealthCare (BHC). His division employs 625 people and a quick look at some data reveals the true scope of their challenge. BHC consists of four major sectors: Animal Health, Bayer Schering Pharma, Consumer Care and Medical Care. In all, it employs 53,100 people in 120 countries, with annual earnings of more than 15 billion Euros in 2008. BHC is the largest and most important component of the Bayer conglomerate.

O&I is responsible for “Demand IT,” but its emphasis is not first and foremost high tech. In fact, most technical aspects fall under the purview of Bayer Business Services (BSS), the IT services provider to the Bayer Corporation. As CIO, Moritz is responsible for providing IT solutions

that best support and enable the core business. “We sell pharmaceuticals, not servers and networks.”

The CIO and his team retain close contact with the business side

Rather than simply reacting to the business needs of the various divisions, Moritz has led the way in innovation and considers his key goal the synchronization of IT to support the overall business. “I seek to understand the strategic needs of our internal customers so that we can offer the right solutions in a timely manner.” To achieve that goal, he has introduced IT Governance Councils. These bring together Key Account Managers from O&I and business specialists to brainstorm on how IT may play a central role in supporting business strategies.

Moritz explains that the position of Key

Account Manager plays a crucial role in the newly restructured Bayer HealthCare IT – as a go-between for business needs and vice-versa. Moritz fills these positions with people from the business side whenever possible. For instance, the Key Account Manager for O&I customers from the production division used to work in production and is responsible for building effective ties between IT and the business side. In fact, Moritz prefers to call these people “Business Relationship Managers.”

The CIO adds another important piece of advice. He allows only senior IT employees to take part in negotiations with the often aggressive and competitive business managers. “In situations like these, we need senior level people.” Moritz fills these positions within the framework of a strategic personnel rotation designed to bring in fresh blood from the business side.

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Bayer’s IT divisions are organized in such a way that strategic and operative functions are strictly divided. Bayer Business Services (BBS) is responsible for infrastructure – i.e. data processing centers and networks, including standard applications – as a factory with maximum economies of scale. The CIOs of the various divisions are tasked with producing IT solutions from this source and bundling them in a way that best serves business goals. HealthCare Division CIO Matthias Moritz places a high

priority on proactive IT solutions, rather than simply reacting to circumstances. But his success depends on convincing his employees to think and operate not as a separate entity but as part of the various business branches. In his interview with cioneers.tv, Moritz describes how he keeps himself and his team on the right track when it comes to understanding the core businesses. Among his initiatives: leading working groups that bring together representatives of the business groups, Health-

Care IT and BBS; a personnel rotation between the business side and IT; and what he calls “personal, emotional leadership.” With these measures, Moritz has succeeded in shattering the traditional job description of IT professionals and fully redefining it. He also confides how he turned a classic CIO function – namely, IT standardization – into a mechanism that served his transformation goals. And finally, he discusses the role “Digital Natives” continue to play in the modernization of Bayer HealthCare.

Avoid technical jargon. Concentrate on solutions

The most important thing is to concentrate on the needs of the customers. And what that does is create solutions – such as putting patient diaries on the Web or a “pill reminder.” Internal users have come to appreciate an online tool that allows them to book business trips individually. Yet another tool is paperless billing, which has dramatically increased efficiency. Moritz points out that “these products are IT enabled and have become valuable assets.”

Moritz is also convinced that IT jargon must be kept to a minimum if one is to be taken seriously as a business partner. He tries to avoid the use of buzzwords in talks with his BHC customers. The CIO believes that infrastructure topics serve only to create communication barriers – except during discussions with technical service providers. But on the whole, Moritz says, he can communicate better with the business side by avoiding terms like “cloud” and “SOA.”

Using IT in opening minds to innovation

Any manager who wants to put technical aspects of IT in a support role must first exert control over them. Like most other major companies, Bayer HealthCare has embarked on a course of standardization. Moritz says great strides have already been made in Enterprise Resource Planning and the Siebel Customer Relations Management systems. Another important standardization project is currently being implemented on the desktops of BHC employees – a “personalized workplace” based on the Microsoft Stack, replacing Lotus Notes.

Moritz points out that standardization

lowers IT operating costs. But that’s not enough. The CIO is searching for ways to finance innovation and optimize business processes. That’s why BHC and other Bayer divisions have put classic IT programs such as SAP under the purview of BBS.

Outsourcing commodities frees up financial resources. But that doesn’t guarantee innovation. Moritz believes that CIOs must shape their teams in a way as to free up minds for creative ideas that benefit the core business.

IT visionaries drive business innovation

It used to be that Bayer HealthCare’s O&I division was arranged on a basis of reacting to business needs. But Moritz believes that O&I must seize the initiative when it comes to innovation. He constantly exhorts his employees to “think about the everyday improvements that could be implemented with the help of IT.” He is convinced that anyone working with IT infrastructure has no time and little interest in seeking effective ideas for business... nor do the employees of an IT division where senior management fails to foster a climate conducive to innovation.

The CIO admits it’s not easy to bring about such a change of attitude. “It often takes time to convince internal organizations that innovation is of the essence and that we must actively pursue it.” But even though it remains a work in progress, the process has begun. The following piece of feedback is becoming typical: “In the innovation workshops, we show that we can deliver added value. Our colleagues from the business side have begun taking part in order to promote their own innovations. And that further motivates the IT

people.” Moritz hopes this process becomes standard procedure.

Marketing, Digital and bringing the “natives” on board

Moritz says that initiating new ideas and managing change are permanent fixtures of an IT boss. For him, that means bringing in young, highly trained Internet pros as engines of change and making them an integral part of his team.

The CIO says that any manager who hopes to benefit from these “Digital Natives” must first understand the ins and outs of Facebook, Twitter and Myspace as well as realize what it means to become active in these online communities. In his free time, Moritz is a musician and producer with extensive experience in online communities. He sincerely believes that “work-life integration” is the key to using outside experience to benefit the company. “We must understand this world and all of its potential in order to effectively utilize it.”

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- Matthias Moritz has a degree in physics. He was named Chief Information Officer of the IT division of Bayer HealthCare in August 2008.
- Moritz has been with Bayer since completing his university education in 1987. He has held a number of managerial positions both in Germany and throughout the world. Before moving to the HealthCare division and “Demand IT,” Moritz worked at Bayer Business Services (BBS), the company’s IT services arm, leaving as Head of Sales and Marketing.
- In addition to his CIO position at Bayer, Moritz founded his own recording label, ELME (www.el-me.net), in 2007. He serves as both producer and business manager. Moritz says music is his private passion and an important component in his ever-increasing understanding of social media, which he believes will someday play a vital role as a marketing tool for Bayer HealthCare.

►► CIO



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