



About

- One of the world's largest engineering and construction companies
- Annual revenue exceeds \$1B
- Over 5,000 employees in over 150 offices globally

Goals & Business Issues

To deploy people globally who have the expertise of the company at their disposal in order to provide integrated client solutions. Support projects with a centralized IT function that utilizes best practices and takes advantage of leading technology.

Solution

- Utilize ONA to successfully transform IT from a distributed to a centralized function
- Eliminate cross-function and cross-location silos
- Improve awareness and utilization of expertise
- Identify the key connectors and brokers in each location and leverage their relationships to ease the organizational change
- Integrate newcomers rapidly

Results

- Reduced cost of IT from 5.2% to 3.6% of gross revenue while sales grew.
- Increased customer satisfaction from 93% to 99%.
- Raised awareness of expertise in IT by 55%.
- A well-served workforce who relied heavily on the new IT function to deliver client projects, even for those that required leading-edge solutions.

Executive Summary

The move from a multi-national, distributed function to a global one is difficult, particularly for IT, which often has local requirements and loyalties. The CEO of one of the world's largest engineering and construction companies determined it was necessary to make this move to streamline their IT processes and take advantage of globally distributed expertise to better serve customers and lower costs of operation. The CIO, responsible for this restructuring, relied heavily on an annual organizational network analysis (ONA) over five years to make this transformation a success.

Challenge

This company had no pressing crisis leading to this change. However, due to growth through many mergers, the IT-related processes—ranging from IT infrastructure support, to ERP systems, to CAD technology, and even IT strategy—varied widely across the organization. There were multiple e-mail and ERP systems, and even a range of financial systems which led to problems with accurate staffing. Each group reported to different leaders, with different goals. Best practices were not systematically adopted across groups.

The main drivers for consolidation were to establish a set of consistent processes so that internal and external customers received a consistently higher level of service, and to provide leading technologies and practices for the best solution. Streamlining processes were expected to bring IT costs down and improve the ability to be creative and solve problems. The hope was for this restructuring to serve as a model for moving other support functions, such as HR and finance, to a global model.

Solution

Once the new IT function was formed under the CIO, an ONA was initiated to examine collaboration across roles and regions to determine how people were integrating into the new organization. The ONA was conducted annually for five years, with a focus on three key dimensions—silos across functions and locations, awareness of expertise, and people most and least connected—which were measured to track progress toward goals.



The first ONA was eye-opening in regard to the key dimension of cross-function and cross-location silos. Some fragmentation of the newly unified organization was expected, but not the degree to which people continued to work with their previous colleagues instead of reaching out to others across the organization. The results were shared with the group and cross-organizational teams were formed, comprised of well-connected employees from different silos, which targeted those groups where working together yielded business and operational benefits. Training and off-site meetings provided the opportunity to build relationships as people were purposely seated next to people they did not know, but were likely to work with.

The second dimension evaluated annually was the level of awareness of expertise. The initial ONA revealed that people with similar expertise were not well connected, and in some cases, only one or two people held key knowledge. Targeted internal improvement projects were initiated with the goals of building trust, improving team dynamics and communications, and strengthening the relationships of the experts. Short rotation programs were also established to build relationships across locations.

Lastly, the ONA highlighted those people who were highly overloaded and those who were peripheral. With the move to a global organization, management was concerned that the highly connected people would become more depended upon, and then either become a bottleneck or resign due to becoming overwhelmed. To address this, portions of their role were shifted to help develop other talented employees. Management also sought to on-board newcomers quickly and re-engage peripheral high performers so others could benefit from their skills.

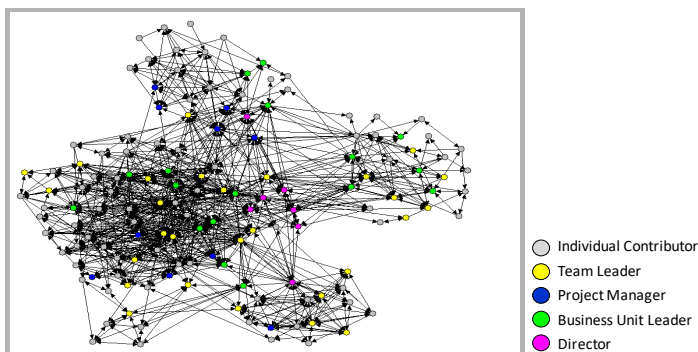
One problem that the ONA revealed was that senior leaders were collaborating well, but those in the lower hierarchical levels had few relationships, leading to a high turnover rate which stifled best practice transfer and innovation. To overcome this, first and second level managers were trained on how to build relationships with virtual team members, how to communicate a vision and identity to unify the team, and how to effectively use tools to work virtually.

In addition to the group-level insights, individuals were given personal reports to improve their own connectivity based on their position in the network.

Given the rich findings, each year the ONA was conducted to provide systematic input to assess current state and plan and set goals for following years.

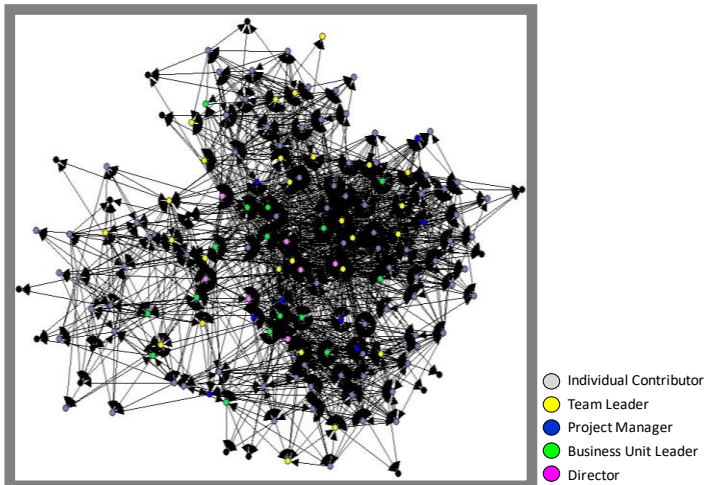
Consider how the network improved in the first three years:

Year 1 Information Sharing Network





Year 3 Information Sharing Network



Results

Each year, the IT function became more and more integrated, resulting in lower costs as well as the ability to respond to customer needs more quickly with better solutions. After five years, IT costs were reduced from 5.2% to 3.6% of gross revenue. The company had continued to grow during this time, but the IT staff actually declined 16%, while customer satisfaction scores rose from 93% to 99%.

The effort to raise awareness and bring in people on the periphery was effective and the gap between the number of relationships for the high performers compared to all others decreased to 7% from over 32%. Awareness of expertise jumped, along with a rise in effective information usage from 29% to 45%.

In addition to providing targeted insights for cost reduction and internal integration, the ONA also enabled the IT function to develop more effective collaborations with key business partners. Internal customers, who previously outsourced important and complex projects, learned to depend on the new organization.