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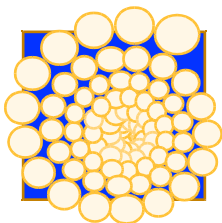
8th Congress of the European Union for Systemics:

“IT departments in the organizational storm of the companies”

**Mario Pavoni
Brussels 2011**

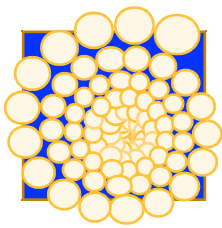


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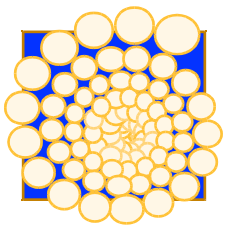
1. **Global context: few facts**
2. **Merging/acquisition/split: who wants what?**
3. **Vision through the « Giroscope © » and its 12 MPr**
4. **Communication vs. IT**
5. **My environments**
6. **A conclusion : my own conclusion**



Global context: few facts(?)

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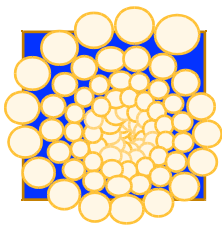
- **IT departments vs. Business departments (and their « business processes ») = actors**
 - Important and not ignorable
 - Constantly interacting
 - Some time in contradiction via their own constraints**→ In a balance imposed by the company!**
- **Companies are (more and more?) obedient to the structural changes: merging, acquisition, split, ...**
- **These changes are imposed (or suffered) for non IT reasons (except in exceptional cases)**



Merging/Acquisition/Split: Who wants what?

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- **Various point of view**
 - The one who wants to sell
 - The one who wants to buy
 - The one who wants to be acquired
 - The one who wants to be split
 - ...
- **Various issues related to**
 - The synergy (past or future)
 - The organisational structure(s)
 - The Business processes and their automation
 - The human resources management
 - The perception of the IT department significance...

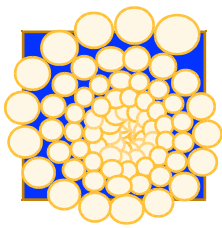


Vision through the « Giroscope © » 1/2

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The « Giroscope © » looks at the organizations through 12 Managing Principles (MPr) covering

- 1. Systems and sub-systems**
- 2. Members**
- 3. Purpose**
- 4. The whole (circularity)**
- 5. Organization <> total of its members**
- 6. Issuing information**
- 7. Receiving information**
- 8. Borders**
- 9. Rules**
- 10. Retroaction**
- 11. Homeostasis**
- 12. Equifinality**

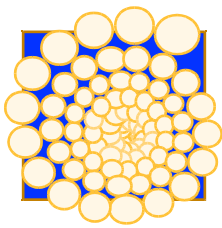


Vision through the « Giroscope © » 2/2

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12 managing principles (MPr) + context

- 1) External actors (clients, providers, partners, regulators (national or international),...)
- 2) The structures evolution along the timeline (resignation, dismissals, external blocking, ...) « as usual »
- 3) The time constraint provided by the actors of an « organizational storm »
 - a) The one announced
 - b) The one experimented (longer delay/ shorter/ rejection of the operation / ...)
 - c) Unexpected difficulties
 - d) Hesitations

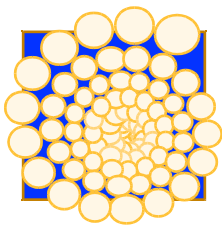


MPr1 : To differentiate the systems and the sub-systems

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Why to differentiate them?

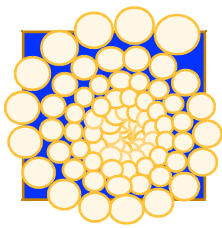
- **To illustrate one of the structure(s) in order to understand**
 - **The current and future situations,**
 - **The structural impact of the changes**
- **To enlighten**
 - **The relationships,**
 - **The retroactions,**
 - **The rules,**
 - **The communications between the organizations,**
 - **Their sub-structures,**
 - **Their actors,**
 - **...**



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MPr2 : Member(s) of which organization(s) ?

- **External: members aggregation and interactions**
 - Aggregation of the partners, providers, partners providers, providers of providers → impact on contracts, on the clashes of interests, ...
- **Internal**
 - Who will do what? → Who will take which job(s) ?
 - When split: who goes where? Who will come from the outside? Who get duplicate functions?
 - When merging: What about the duplications? → Who leaves? Who stays? How to ensure the IT follow-up?
 - In the operations
 - In the projects → what's next for the on-going projects?



MPr3 : Purpose of the organizations

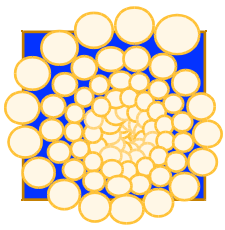
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Knowledge level of the IT members

- **Purpose(s) before**
- **Purpose(s) after**

Impact on the purpose of the IT department (prudence vs. risk appetite)

- **Its mission → its strategy**
- **Its objectives → its master plan**
- **Its action plan → the operations, the projects**



MPr 4 : The whole

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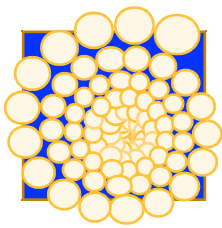
In an integrated management system, especially of an ERP type (SAP, Oracle, PeopleSoft, ...)

- **Any modification of one of the items can potentially cause a modification of all the other items, ie of the whole IT system**

- **Essential composition**

- **Architectural (functional and technique)**
- **IT processes (related to the business processes)**
- **Relationships (including the contractual ones) between these components**

➔ The balance must be (re)established



MPr5 : Organization \diamond total of its members

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A « department IT » system is different than the total of all its employees as it must be analyzed

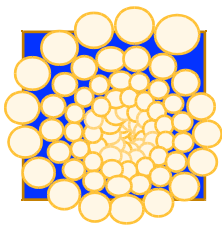
- **In its whole,**
- **With its complexity,**
- **With its dynamic.**

The more each individual person belonging to a department is aware of the stakes, the more they make it working.

➔ However, in case of « organizational storm » :

- **What is (will be) my function ?**
- **What is (will be) my role ?**

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MPr6 : Issuing information

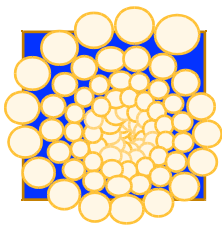
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An « IT department » issues information to

- **Its clients (internal/external),**
- **Its partners,**
- **Its providers.**

It issues information in order to

- **Avoid any blocking situation,**
- **Check the understanding of the customers needs,**
- **Receive validation of the requested work,**
- **Receive offers / external deliverables.**



MPr7 : Receiving information

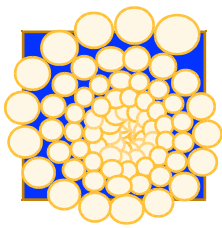
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An « IT department » is receiving information from

- **Its clients (internal/external),**
- **Its partners,**
- **Its providers.**

It receives information in order to

- **Avoid any blocking situation,**
- **Check the understanding of the customers needs,**
- **Receive validation of the requested work,**
- **Search for external services**



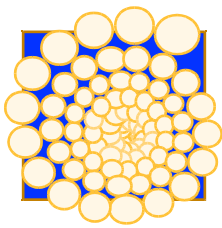
MPr8 : Organization borders

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An « IT department » needs clear borders with the adequate permeability in order to

- Get clear roles between the business and the IT (the sub-systems of the system)**
- Communicate with its clients, its partners, its providers, ... (the other systems compared with the system we are looking at)**

The contractual aspects have a direct impact on the flexibility and the permeability of the borders hence of the information flow

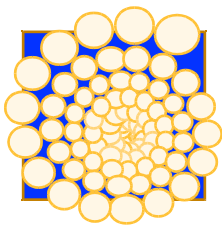


MPr9 : Rules^{1/2}

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An « IT department » system contains rules :

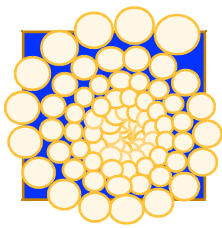
- **Phenomenological, directly observable**
 - **explicit, clearly expressed in its governance (ITILv3, CobiT, CMMI, ISO 12207, ISO 15504/SPICE, ...), its processes and its methodologies**
 - **implicit (example: budget is important but the customer request is even more)**
 - **Mythical, on the picture that the system thinks of itself.**
- By example:**
- **Price is insignificant, quality is important !**
 - **As soon as it is written, everything works !**



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However in case of « organizational storm » :

- **Who provides the rule? How?**
- **Is there any consistency between the explicit and implicit rules (as it is in a working system) ? Immediately, later, never... ?**
- **What are the secrets, the unsaid ?**
- **What are the uncertainties ?**
- **What are the impacts on the IT**
 - **From (new) « business » department rules?**
 - **From (new) « Human Resources » department rules?**



MPr10 : Retroactions

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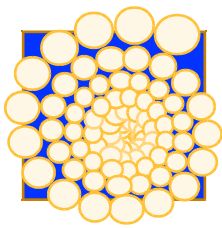
In a working « IT department » system , a retroaction allows to measure the discrepancy between

- **The wishes**
- **The results**

This retroaction allows correcting, via

- **Its governance,**
- **Its processes,**
- **Its methodologies.**

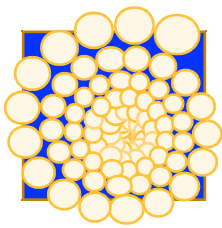
**However the auto-regulation is based on a balance.
What happens if it is broken?**



MPr11 : Homeostasis

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- **A working « IT department » system is stable, staying open to the modifications that are imposed.**
- **However, by definition, an organizational storm risks to break the homeostasis of the IT department.**
- **A regulation must be ensured to the highest level in order to avoid members consuming a huge amount of energy via the retroaction mechanism.**

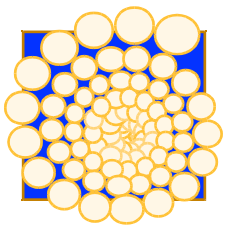


MPr12 : Equifinality

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An « IT department » system can be organized differently aiming to get the same results

- in-sourcing : (almost) all members are internal to the company**
- out-sourcing : most part of the members (except few managers) are external to the company**
- co-sourcing : the company keeps the control on its IT, through an internal “core team” (more than with the out-sourcing) helped with externals.**



Communication vs. IT

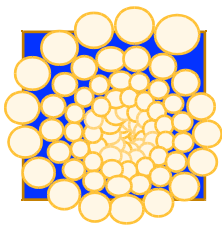
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Beyond the computer languages, IT becomes

- **A way to communicate (not verbal)**
- **Withstanding the business processes (another way for communicating)**

In case of « organizational storm » what are the impacts on this communication way

- **Before the stabilization**
- **After the stabilization**
 - **(new) homeostasis**
 - **(new) equifinality**



My environments^{1/2}

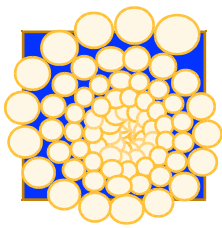
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**Acting as IT or Organizational project manager,
alternately faced (in various companies) with:**

**1.A national subsidiary that is sold by the international
head-quarter to a national company**

**2.The creation of new national company that takes
back wide part of another national company (+ public
sector vs. Private secteur)**

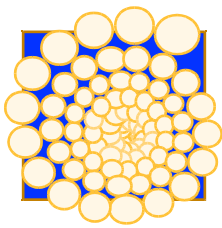
**3.A company giving up part of its activities and taking
back some others (in an international context)**



My environments_{2/2}

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1. **1st experience : no systemic approach (not from me neither from my management) → organizational, economic (customers evasion), human (collaborators evasion), failure**
2. **2^d experience : a bit of systemic approach (from my part) → faced with a « factory » owning a lot of money, progressing whatever the damages**
3. **3rd experience : a systemic approach from me linked to an industrial realism from my management → on-going success (but not an easy journey ...)**

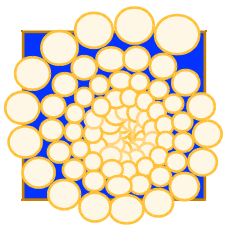


A conclusion : my own conclusion

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Beyond the « classical » accumulation of experiences, the systemic approach brought me :

- **A way of approaching the problems with a less analytical (sic) way but rather more globally, more « sensitive » to numerous factors and perceptions**
- **An unique capitalization of my life and from its lessons learned**
- **A serenity regarding the huge challenges that we are suddenly faced with, when un-expectedly arises the “organizational storm »**



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Questions ...

Questions & answers time ...

Thank you very much for your attention!

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