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Digital Strategies Roundtable

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Managing the Changing Tech Partner Landscape

Key Insights and Summary

Center for Digital Strategies

Tuck at Dartmouth

Managing the Changing Tech Partner Landscape

Digital Strategies Roundtable
An executive roundtable series of the
SDA Bocconi School of Management at the Università Bocconi and
the Center for Digital Strategies at the Tuck School of Business at Dartmouth College

The ever-accelerating rate of change in digital technologies is altering the tech vendor landscape as profoundly as it is changing consumer and user behavior, digital business models, and privacy. IT and Procurement face the challenge of managing multiple balance points: A handful of near-monopoly platform providers and the plethora of start-ups who may hold keys to the future; the enterprise's need for risk mitigation and its need for competitive innovation; and IT's traditional role of evaluating and enabling new technology and new demands to participate in and support corporate-level business strategy.

On the occasion of the Roundtable's 60th gathering, and its first under the aegis of SDA Bocconi, members of both the European and Americas chapters met in October 2018 at the headquarters of Hilti Corporation in Schaan, Lichtenstein, to share insights into the different kinds of vendors, strategies for win-win relationships with suppliers both large and small, and how IT can best support the enterprise in its increasingly two-sided role at the intersection of technology and business. Roundtable participants included CIOs and/or procurement chiefs from Clariant, Chevron, Hilti, LaFargeHolcim, Levi-Strauss & Co., Swarovski, and Sysco along with a senior strategy partner from Deloitte and faculty of the SDA Bocconi School of Management.

Key Insights Discussed in this Article:

1. The giant technology suppliers pose financial risk to enterprises, existential risk to IT, and may become competitors, but it's impossible to operate without them. IT can maintain its leverage and position through a combination of operational vendor governance and ever-deeper strategic integration with the business. ……………………. **pages 2-4, 8, 10**

2. Start-ups and niche vendors provide new sources of competitive advantage, but enterprises need creative approaches and new rules to work with them successfully. Traditional legal and procurement practices squash small and innovative vendors, but risk still has to be managed. ……………………………………………….………….. **pages 3, 6, 9-10**

3. The successful digital enterprise will not walk alone. Communication and collaboration with business partners and users, neighbors, vendors, and even industry competitors will be critical to both countering the power of the monopolies and discovering critical innovations. ....……… **pages 4, 7-8, 11**

4. IT can — and needs to — play offense and defense at the same time by taking a seat at the executive table. All business is becoming digital, and for enterprises to survive and thrive, they need IT to lead the integration of business, technology and strategy. And if IT doesn't succeed at this, the giant technology and service vendors are all too willing to try to take their place. …... **pages 5-7, 10, 12**

 This overview was written by Hans Brechbühl, Associate Professor of Practice at SDA Bocconi & Director, Digital Strategies Roundtable, and Stephen Plume, Executive Fellow, Digital Strategies Roundtable. The Digital Strategies Roundtable publication series is edited by Hans Brechbühl.

A Drain on the System

Khushnud Irani, the former CIO of LaFargeHolcim, began the conversation with the proposition that three types of information technology vendors have developed:

> First there are the enterprise vendors, with on-premise licenses and SaaS solutions, who are trying to encompass the entire organization. They come up with products that tie you to them, and it becomes very difficult to exit.
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> The second group are the application infrastructure providers and traditional outsourcers, and there is some variation between the first and second tiers.
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> The third group are the niche players, and this is where a lot of new technologies are coming up. These vendors have a lot of cool showcases and nice stories, and there are hundreds of them trying to capture markets. One of our biggest challenges is how to integrate these vendors into traditional legacy environments so that the environments remain sustainable. There is a huge gap in the market for how to do this, and that's where enterprise architectures play a key role.

"There is more and more concentration in the first group of vendors," commented Eric van der Berg, the new CIO of Clariant. "There are a few big players who are building clusters, and probably none of us even know all the brand names that belong to these big players. They are growing to be super-large companies, and it's hard to stay out of their areas of influence."

The second group increasingly includes the large traditional consultancies, pointed out the retiring Volker Laska, van der Berg's predecessor as Clariant's CIO. "McKinsey, BCG, Deloitte: They now have capabilities on the technology side, in addition to their normal consulting. They are actually moving into solutions delivery in the digital space."

"And it's not always clear how tied the consultancies can be to the implementation partners, and how biased that makes them," added Dean Edwards, VP of Global Strategic Sourcing for Levi Strauss,

> Whether it's the consultant, the main software provider, or the systems integrator, they are vampires on the system: They're all trying to take a percentage of our revenue. It's concerning that everybody thinks, "Oh, it's only a few bits of a percent," but it's adding up, and it's taking a toll on the profitability of our organizations.

"They sneak in through different angles," agreed Christoph Baeck, Head of Enterprise Computing at Hilti.

> We worked with one name-brand firm that came into Hilti supporting a start-up, then took over the operation, and under-performed but over-priced. We found a smaller company who took over for a fraction of the price, with better performance.
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> The opposite also happens: The major technology vendors pitch consulting in areas away from infrastructure or software, and not just to IT. Then the business guys approach me, wanting to work with these vendors, and just like that, we in IT are potentially only passengers.

“But you cannot blame or stop your vendors from doing that,” van der Berg objected. “Frankly, I would hope that our sales guys act like that! The vendors will always try, and if they’re successful, that’s because we have an internal governance problem. There needs to be an internal solution that stops it, or that points vendors in the right direction.”

“We have clear regulation with our SAP account manager,” explained Elisabeth Ender, Hilti’s Strategic Supply Manager for IT. “Whenever he gets approached or hears something from the business side, he has to touch base with us and IT immediately. We now have 20 open topics with SAP, in addition to what we already have in place with them.”

“It’s easier to manage, with the big companies like SAP and Microsoft, if you have good governance in place,” Laska acknowledged. “With the smaller vendors you don’t always have an established relationship, sometimes they don’t even know your rules.”

“But even the small ones can become monopolistic,” Ender pointed out. “Once the cost to change them becomes so high that it creates a lock-in.”

Go Big *and* Go Home?

Vendor management has become even more complicated, suggested Max Braun, CIO of Swarovski, “Because big vendors are eating the start-ups. SAP for example acquired SuccessFactors and Gigya and Hybris and so on and so forth. So there’s an umbrella company working on integrating their own solutions, but they have a long way to go.”

“Then those business units of the big companies come in, and you’re not the parent’s enterprise customer anymore,” Ender added.

> It doesn’t matter how much you’ve spent with the big company, you’re just spending a little bit with the business unit, and so you don’t get the high discounts. And new functionality coms as a ‘new product:’ We don’t see enough back for the money we spent in maintenance. That is one of the aspects of license management that has changed a lot in the last few years.

“They’re all trying to get into this new consumption-based world,” continued Alysia Green, Chevron’s General Manager of Upstream IT.

> You’ve seen what our industry has gone through the last several years, and so we shrank our footprint, both from an asset perspective and a people perspective. But our IT costs per person weren’t going down, they were actually going up, because we had all these perpetual licenses with maintenance fees, and those fees don’t go down as we shrink.
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> So we went back to negotiate, asking these companies to be more agile, and they agree, but we have to go to a consumption base, to a pay-as-you-go model. *And* it’s licensed as software-as-a-service, but the software really isn’t baked, so how can it actually be the plug-and-play service they sold to us?

“And the pay-as-you-go model is only uphill — it’s never downhill,” Ender pointed out.

"The way they are changing the licensing model, and how they may change it in the future, creates a huge risk, especially from Microsoft," Braun warned.

> Even so, there are two main reasons to go with the big players: One is integration. If you have SAP, and you go with SuccessFactors, they still can't provide a proper integration, but at least you have one partner who is responsible for both. If you go with Workday instead, then you have two partners fighting hard. They are in hard competition with each other, and try to *avoid* doing any integration.
>
> The second reason is that you have to establish expertise with the vendor's technology in your own people. You can't do that with 15 different companies.

"So if you align with a Microsoft or an SAP almost completely," Edwards asked,

> At what point does the IT function become redundant, and replaceable by those entities? From a procurement perspective, if IT in its entirety is with SAP, and they're a monopoly, and you can't control them — At what point do you say, 'We've essentially got an outsourcing arrangement and we don't need an IT department?'
>
> I don't think that's the way to go, I'm just saying it's the logical endpoint. You've got McKinsey in the C-suite, or KPMG. They want to sell services, and they've got the hookups to the vendors, and they're whispering, "I'm going to save you money overall. If you just outsource it to me, I can do the totality of this service. You don't need your IT department." It's the wrong way to go, but I can absolutely see it happening when you get that much concentration of power in one or two providers.

"One of the benefits of the IT department is to do the company-specific things," responded Susanne Buddendick, Head of Communications for Global IT at Hilti.

> We don't take care of commodity tasks too much: We want to concentrate on those aspects where we can really make a difference. The problem is that there are *a lot* of commodity tasks, and so good relationships with trusted partners help to outsource the pieces where we don't make a difference, and focus on the value-add.
>
> We often can't get people to do the basics anymore: They want to re-invent themselves on a regular basis. But we have to take care of the legacy, of the daily business, and for that sometimes it's easier to bring in somebody else. *Sometimes*. It *is* stressful to find the right partners and identify the SLAs for the tasks they should do, but it's an important journey that we need to take.

"To stay relevant as a function, IT needs to have both business and commercial acumen," Green suggested.

That's how you set yourself apart: We are an energy company first, and you are an IT professional second. The value you bring to the table is that you understand what it is to work in an energy company. And then you also have the commercial acumen to have discussions with the big vendors. Our IT supplier management group has a mixture of IT and procurement professionals. We've stressed both, and they need to know both.

The App Culture
“We’ve talked a lot about what the challenges are. What’s good about the landscape today?” asked Hans Brechbühl, Associate Professor at the SDA Bocconi School of Management. “What is different in a positive way from three or five years ago?”

“It’s the opposite of the picture Dean painted,” Green answered. “Our function has become way more relevant than it was in the past. Everything we’ve talked about creates so much confusion: The company is looking to us to figure all this out, to take a leadership role in our company. This really is a great time to be in IT.”

“That’s our trajectory as well,” agreed Chris Clark, CIO of Levi Strauss.

> When I started in 2015, we did about 50 IT projects for the year. So far this year, we’ve already deployed 136. That’s just the pace of growth. Until a few weeks ago, IT wasn’t on our global leadership team. Now I’ve been invited to sit on it, and I’m in front of the board every quarter on multiple topics. In the past, that wasn’t the case. In some sense, Levi’s is switching from “great brands supported by technology” to “a technology company with great brands” Technology underpins everything now.

“In light of all these changes,” Brechbühl continued, “What changes are you making to your companies’ digital strategies, and IT strategies?”

“More and more, everybody expects to have a digital solution for everything,” answered Ralf Diekmann, Hilti’s Global IT Head of Information Management and Governance.

> They have apps on their phones for whatever they want to do, and they expect the same in the business context. We invest heavily in enterprise architecture and good governance, but the user community is always more advanced. They come in with something new like Slack, and say, “This is the *only* solution. IT, you have to get this integrated.”
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> And these applications are usually not made for the enterprise context; you cannot apply them globally, especially solutions from the US. They just don’t comply with the rules and regulations in Europe. And our user community always gets a big surprise, “Oh, we didn’t think about that.”

“For corporate purposes, you need single sign-on, you need this and that feature,” Baeck added. “That sets you back way, way more than the entire Microsoft Office suite, for just a chat feature.”

“I’ll underline that,” Braun stressed. “Best-of-breed tools are nice to have, but the second step is integration, and that’s not always possible:

> It will increase our costs significantly, or it will harm our ability to provide speed in a too-complex environment. But you have to explain, and convince the departments that it’s in their best interest for us to provide a consistent architecture landscape which enables an efficient integration. So we invest heavily in domain architects and enterprise architects, who stay closely connected to the business managers.

"The danger is that architects tend to behave like policeman," van den Berg countered.

> That's why a lot of business units tend to say, "Leave me alone, I'll do it myself." You have to complement governance with being at the forefront of new technology: "Hey, I hear you, there's a new thing, let's give it a try. And, here's where the boundaries are, what we can and can't do." Then you're sending a signal that you're actually on top of it. In fact, you knew about it before they did. They start to take you much more seriously once they realize that you're not there to block, you're not there to be a police guy: You're actually there to help them out.

"I'm not sure whether it always makes sense to curb the business," Irani demurred. "At LafargeHolcim we had governance, we had architectures, but we also operated in 90 countries, and it's not always easy for an IT team to go after every damn thing. So we also need to play the boundary, where we say, 'This is what IT does, and for the rest, if you have some plug-and-play stuff, so long as it doesn't screw up our enterprise systems….'"

"But we're also responsible for governance," Diekmann objected, "And then the executive board looks at me and says, 'What's happening with our data, with security, with compliance? You've made sure that's all under control, right?'"
"True, but a few years ago with the cloud we were all screaming 'Where's the data? Where's the integrity?', and the solutions came," observed Marc Rodriquez, SVP of Corporate Procurement at Swarovski.

> The good news is, the cycle is always the same: Innovation starts with the core value-added, and being more agile or more user-friendly or whatever, and the side aspects of security get built out afterwards.
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> Being on the edge of innovation is what's appreciated and valued by the business. How to start working, knowing that everything won't be there at the beginning, but that it will come at a later stage.

Where the Revolution Happens

"So how then do you scan the market to identify new possible solutions and possible relationships?" Brechbühl asked. "Have any novel approaches developed?"

"Scanning the market isn't the important thing," van der Berg suggested. "It's really about trying them out. Finding the solutions is becoming pretty easy. The sales guy paints you a nice picture of how wonderful it's going to be, but until you test it yourself, you aren't going to know."

"But you can't test every idea, can you?" Brechbühl followed up. "There must be some process for deciding what to test?"

"We start with the challenges facing us and the business goals we are trying to achieve," Green offered. "And if there are things that we can't do, then we set aside R&D money to create focus areas. That's how we narrow it down. Then we'll go scan to see who has the expertise. Our technology ventures group will look as well, from an investment point of view, start-ups we might want to fund."

"We are overwhelmed with ideas," Braun admitted. "They come from the business, from our IT experts, from discussions with peer companies, from newspapers and events. There's no challenge to get information. The real challenge is to set the right priorities, to find the right bets. So at least one time per year, we work on the top ten technology trends that really matter for Swarovski. Then we analyse to see what we are doing already and where we should invest more."

"Exactly right," Clark agreed. "IT now participates in the business planning cycle. Each of our IT leaders sits on the staff of a global business unit. We are very connected to the businesses, so there are no surprises: We listen to the business priorities, we align our strategic priorities, and we bring our technology point of view."

"Let me tell you what didn't work," Laska laughed. "I put a nice new box on my org chart titled 'New Technologies,' and I put a digital native in it."

> And then the whole mess started. He starts, and wants to know what he should be looking for. He gets swamped with emails: Do we want to make our network better, or are we interested in new collaboration things? Then he gets absorbed with a pilot, and after that with a project, and then…
>
> Innovation has a creative component, but it also needs a process component. Where do you draw the box? It's also good to rely on swarm intelligence, or crowd intelligence: Encourage your people in IT, or even on the business side, to come up with ideas. That's much better than to have a handful of people doing technology stuff every day.

"We did create a separate team of people with digital know-how," Irani countered. "They were completely separate: no security policies, no enterprise architecture. Fully out. And they were the best team to make an impact with the business. But then the question, of course, is how do you integrate their innovation with the day to day business? That's when the challenge comes in, when you actually start discussing things with the security guys."

Baeck described Hilti's new approach to watching for innovations:

> Starting a couple of years ago, software is part of our corporate strategy, both in the sense of IT and as part of our products and services. We realized that we should listen to what's going on in Silicon Valley. So we have two people there now, who have the job to scout for companies that are tapping into our industry, or with use cases that match. That might lead to acquiring a company, or we purchase from them, or other outcomes.

"Are we already behind if we're looking in Silicon Valley?" Brechbühl asked. "Do we need to be looking in China instead, or Barcelona or Berlin or Israel?"

"We did exactly that," Baeck answered. "Our fear is not that someone will bypass us with more knowledge about a hammer drill, because we know the most about hammer drills, but they might bypass us with revolutionary ideas that we don't see. And from *that* perspective, we concluded if this happens, it won't happen in other places: It will happen in Silicon Valley."

"Another thing is to look in different industries from your own," Green added. "That's where the revolution happens: Something that's very common in one industry, and you just never applied it. They're not completely new things, they're more new combinations of things."

Credible Threats

"Healthcare is a great example of an industry coming together around IT," Edwards reflected.

> There had been a proliferation of companies embedding technology into their medical devices, and everything else, and complete and utter chaos for the IT organizations. So the supply chain organizations of the healthcare providers got together and imposed standards on the suppliers: Interoperability, interfaces into the healthcare platforms, etc. It was a huge success for healthcare IT in terms of being able to track projects, see how they were performing, how they were measuring up to the standards.
>
> So when we look at monopolies like SAP and Microsoft, one of the challenges is that if we keep dealing with them one by one by one, we don't have leverage. But if we universally adopt principles around "This is the kind of contract we want, these are the fundamental terms, these are the reliability specifications we want you to meet." If we keep pounding away, then maybe, just maybe, there's some hope for transforming those discussions.

"You have to decide what is material and what is not," Green emphasized.

> In the case of an SAP, there are certain things where you could come together as an industry because you're all working on the same thing, and it won't give anybody a competitive advantage, but could actually *help* all of you. You're not sharing fundamental trade secrets, but then each company doesn't have to go spend a fortune with them.
>
> With a Microsoft or an Amazon, how do you convince them to actually put a cloud presence in a given country with its own content laws? If only one company wants it, that's not going to sway them. But if you can come with an industry, or even just a business coalition, that can make it worth their while. Otherwise you don't get to take advantage of the new technology — you would have to keep everything on-premise.

"But the big companies look for opportunities," Irani protested. "If they see one, they're pretty quick to act."

"They do," Green agreed, "But it's about cost. The relationships that reach across an industry become like collective bargaining with a vendor. In order to move an SAP or a Microsoft or an Amazon, you have to be material to them. In order to be material, we have to start to look at coalitions."

"You absolutely do," emphasized Cassye Cook, Director of BT Procurement for Sysco.

> We needed to move away from our SAP ERP system, but in anticipation of that, we had to find a way out of our agreement. So we engaged with peers to see what challenges they faced around termination, because when you want to terminate a suite of tools, it's an all-or-nothing proposition.
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> We were trying to figure out a way forward that was different and unique and had been done before, so we could use it as a model. And we were able to exit through a unique and time-sensitive approach. But the only way to make such things happen with these large monopolies is to face them with…

"… A credible threat," van den Berg finished.

"We may all have standard approaches to negotiating with these vendors, but we're not doing it as a coordinated group, so we get no leverage," Edwards summarized.

> If we were to go in as a succession of one-offs, all with the same request, all with the same requirements — it would erode their resistance. And once one of us is successful, and shares that information, then everybody else knows. And if we *don't* share this information, then we find that the vendors can be very economical with the truth.

It's Complicated

"What about the other end of the spectrum?" Brechbühl asked. "How are you contracting with small vendors? What are ways to create innovation? How do you shield yourself from the potential of their acquisition?"

"Acquisition isn't the biggest risk," Buddendick replied. "With small partners, the biggest problem is that if you are in a global environment, you need to take care of resource availability. If there is a disaster in European time zones, will you have support in the other hemispheres?"

"We actually acquired a startup," Cook offered. "They want to move quickly and get to the next thing, and they became so frustrated with our traditional way of operating that it's forced us to take an entirely new look at how we deliver. They are helping us shape how we do business in ways that our own IT would not have pushed us in."

"We have created good experiences with the smaller niche players by helping and advising them on how to become more enterprise-ready," Ender remarked.

> Our business people will come to me with a proposal of a small vendor and ask me to help reduce the price, usually by some insignificant amount. I tell them, "No, don't reduce the price. That vendor needs the money to grow. Instead, help them improve their approach to business. Help them start an industry council with other partners to develop their roadmap. Help them become more professional. You'll get much better services – and who knows? Maybe you'll even get the application you want!"

> Helping the niche vendors improve their businesses, rather than saving small money, makes them stronger, and makes them better challengers to the big vendors. And they're really happy not to be challenged on the €1,000, but instead getting the help.

"What about in contracts?" Brechbühl continued. "We're used to contracts that could fill this room, but I've heard plenty of stories from entrepreneurs who say 'If it's over 5 pages, we walk.'"

"Our contract is probably 200 pages long," lamented Stu MacPherson, Facilities Engineering Manager for Tengischevroil. "The big companies won't sign it, and they have just as many lawyers as we do. The little vendors view it as unenforceable, so they don't care. It puts us at a real disadvantage to take such a long time to get through these contracts, and yet we really need some of these companies."

"We've gone to a very light form of agreement, especially for e-commerce," Edwards answered.

> Yes, literally, they were walking away from doing business with us, because they couldn't afford to. Our standard contract used to be 30-odd pages. It's now down to about 8, and we have an even more reduced from for e-commerce, because we were just overwhelming those guys. The biggest problem was liability. There was no way these companies were going to take on that kind of liability: It would just dwarf and sink them.

"The legal guys don't understand the overall risk space," MacPherson explained.

> They understand their part, the legal risk, but there's so much more. We've worked with vendors who then realized they weren't going to make any money on us, and they've dropped out. Those projects *stopped*. That's a *much* worse outcome than having insufficient levels of liquidated damages in a contract.

"Business never wants to work with procurement because we make things 'complicated,'" Rodriquez laughed.

> As I understand it, we make things *compliant*. The pace of innovation is getting so fast that the long lead time projects become obsolete before they reach their midpoints. Agile procurement is innovation-friendly, but it's not easy to manage risk, which is what we are asked to do by the company.
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> I have a clear mandate from the executive board, and that allows me to have a very open decision with the business stakeholders: "Don't blame procurement for making things complicated. This is about you making a decision to *not* be compliant." And that's when we can explore more flexible opportunities. How do we frame things in order to have the agility and the innovation and at the same time manage risk?

"There needs to be a shift in thinking for procurement people, too," Hilti's Ender pointed out. "In the digital journey, speed is the new currency. Don't worry about money. Worry about speed. So we came up with a list of 10-ish 'show-stoppers'. It's very helpful: If these requirements are fulfilled, and it's not much money, little risk, then it's a business decision."

The Symphonic Enterprise

Brechbühl returned to the opening topic of the day, and asked the group what the future holds in terms of the major IT players and the vendor landscape.

"There is a lot at stake for us in how we establish skills and capabilities," Laska started.

> Once the hype of digital ebbs, what's really new? We've been doing IT and automation for a long time: Operational efficiency, needs identification, development, design, delivery, operations. Who can do all that best? If we do a good job, we strengthen our position in the company.
>
> And we need to, because SAP and Microsoft and some others will try to play different roles. Right now, we look at them as suppliers. In the future they may actually be competitors, as they try to get customer data and establish services on top of it. Then the only thing that differentiates Clariant is that we know chemistry. Chevron knows oil, Hilti knows construction. But they could quickly catch up with that knowledge.

Irani disagreed: "We shouldn't underestimate the overall value chain and ecosystem and all the know-how and experiences that we have built up in our industries. It's not simple to replicate, and yes, there are Airbnb and the same five examples that everyone talks about. But the number of cases is not that dramatic."

"What if someone doesn't come in to compete with LaFargeHolcim on cement or with Hilti on tools, but they come in with a particular niche capability, that may be completely unrelated to the industry, and take that bite out?" Brechbühl asked. "If that happens to you three times, your profit margin tanks."

"You have to continuously ensure that you are defending and growing and protecting," Irani answered.

> Not just in technology, but from a business perspective: You shouldn't wait for some technology to come tell you what to do. If you give someone analytics and models can they really execute? Do they have the gut feeling based on 30 years of doing it?
>
> In IT, we *do* work on too many things, and we are spreading ourselves too thin. If we looked at just one or two elements to really focus our full power and energy, the impact would be dramatic, with real changes to the business model.

"There are three potential future paths," Edwards suggested, returning to Brechbühl's question.

> One is chaos: A lot of start-ups make progress, without much definition or control. Chaos is not necessarily a bad thing: It could be very opportune. The second path is that the big platform providers start to encroach on each other's areas of differentiation, and those areas go away. Today many people describe themselves as a Microsoft shop, as an SAP shop. In this scenario, does it matter any longer what kind of shop you are?

> The third direction, which is the most exciting, is ever more open platforms and apps, with the potential for us as customers to make strategic investments in them and build our capabilities that way.

“We are betting on the third one,” Green declared.

> The future *is* about open platforms. It’s about data, reusable APIs, and integrations that allow you to truly plug and play. But the technology doesn’t all sit in one place. In order to move the vendor relationships in that direction, you have to get more into consortia. GE imploded because they did not have a consortium with their customer base to ask, What is going to revolutionize the world? Not ‘revolutionize GE,’ but revolutionize the world.

“The monopolies talked about today are critical to run the business, but they won’t create strategic value going forward,” predicted Marcus Koch, Strategic Development Lead at Deloitte, pulling together several of the threads of the day.

> It’s the chaotic new startups who build that value. The hype around digital is hype in many respects, but it has already disrupted many more companies than the obvious examples we all know. That doesn't mean that digitalization will disrupt all companies, nor does it mean that all disruption is digital.
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> Certainly, the change will be faster than in the past. The dotcom bubble took place 30 years after the internet was invented. Today’s disruption will not take 30 years, but not 6 months, either. But we shouldn’t wait, because what needs to start *now* is the culture of change, and that's not going to happen overnight. We can take the opportunity and *use* the digital hype to change company culture, so that we are *ready* in five years.
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> CIOs have a huge advantage as an internal vendor: Get into the ears, eyes and mind of the CEOs before the external vendors do. Become more relevant, become more of a driver, by providing holistic solutions to critical challenges rather than technical applications.
>
> If you have a symphony orchestra and they don't play in tune, then it's chaos. But if somebody conducts, it becomes great. The CIO has the opportunity to become more relevant, to become the conductor who orchestrates the chaos from end to end. It’s the CIO who can move us towards the symphonic enterprise.

PARTICIPANT LIST
Managing the Changing Tech Partner Landscape
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Christoph Baeck	Head of Enterprise Computing, Global IT Hilti
Max Braun	CIO Swarovski
Hans Brechbühl *(moderator)*	Associate Professor of Practice Director, Digital Strategies Roundtable SDA Bocconi School of Management
Susanne Buddendick	Head of Communication Services, Global IT Hilti
Chris Clark	SVP & CIO Levi Strauss & Co.
Cassye Cook	Director, BT Procurement Sysco
Ralf Diekmann	Head of Information Management & Governance, Global IT Hilti
Dean Edwards	VP, Global Strategic Sourcing Levi Strauss & Co.
Elisabeth Ender	Strategic Supply Manager for IT Hilti
Alysia Green	General Manager, Upstream IT Chevron
Khushnud Irani	Former SVP & Group CIO LafargeHolcim
Markus Koch	Lead, Strategic Development Consumer and Industrial Products Industry Deloitte
Volker Laska	Former SVP & CIO Clariant

Stu MacPherson	Facilities Engineering Manager Tengischevroil Chevron
Marc Rodriquez	**S**VP, Corporate Procurement Swarovski
Eric van den Berg	CIO Clariant