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Strengthening LEONI's Global Business-IT Alignment

How a multinational cable and wiring systems provider developed a powerful Business-IT Alignment collaboration model to better address strategic business and IT goals, as well as optimize portfolio value and IT project implementation quality.

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LEONI

"The successful introduction of the BITAL concept at WSD was the last milestone on our journey to better align specific IT investment decisions, between the WCS and WSD business divisions and the holding organization, with IT across the globe."

Heinrich Ludwig,
Vice President LEONI
IM-Demand

About LEONI AG

LEONI AG is a global supplier of wires, optical fibres, cables and wiring systems for the automotive sector and other industries. Posting an annual revenue of €4.4 billion in 2016, the German-based company employs about 80,000 people in 31 countries. It is among the largest cable manufacturers worldwide and is organized into two divisions: Wire and Cable Solutions (WCS) and Wiring Systems Division (WSD). LEONI's internal IT organization, Information Management (IM), is centralized in LEONI Holding in Nürnberg, Germany, and is responsible for global IT supply and operations.

LEONI's challenge: to align IT and business strategy for superior performance

In recent years, LEONI faced dynamic external and internal growth and heightened global activities that significantly raised requirements regarding organization, processes and IT systems. LEONI IM's leadership realized, prudently, that the path forward was to strengthen its global IT strategy to reach a higher level of satisfaction with its internal customers WCS, WSD and the holding organization. After taking a good look, several crucial improvement areas were identified:

- Enhance the current way of handling new business IT requests with a more professional structure, greater formality and transparency
- Further define the roles and responsibilities between business and IT to get a clearer picture on requirements and delivery schedules: to keep costs in check and adapt swiftly to market changes
- From a business perspective, the IT organization could benefit from more transparent processes and procedures
- Clarify processes for the identification, evaluation, approval and monitoring of IT projects
- Hone IM's IT project portfolio management skills and capabilities to more efficiently monitor and control project costs, benefits, interdependencies, and potential synergies between IT projects

Evidently, a well-crafted Business-IT alignment model was needed, with the goal of optimizing the IT project portfolio value by "Doing the right projects" and "Doing the projects right". However, the company's leaders were reluctant to foist big changes onto its people and processes without proper support. BearingPoint convinced with its holistic, collaborative approach. This proved to be pivotal in helping to transform LEONI IM's ways of working whilst ensuring everyone was carried forward.

LEONI's solution: building a structured communication model between Business and IT

A specialist team was pulled together to design and support the global roll-out of a Business-IT Alignment (BITAL) collaboration model for LEONI's divisions (WCS and WSD), and the Holding organization. Drawing upon our leading-edge practices and experience, as well as LEONI's inside-out knowledge of how to make the implementation successful, the project team progressed through four distinct phases:

1. Besides project set-up and workshop preparation, we surveyed top management stakeholders to pin-down existing challenges, key requirements and expectations regarding the Business-IT alignment.

IT Project Request Management from "multi-point" IT request handling ...
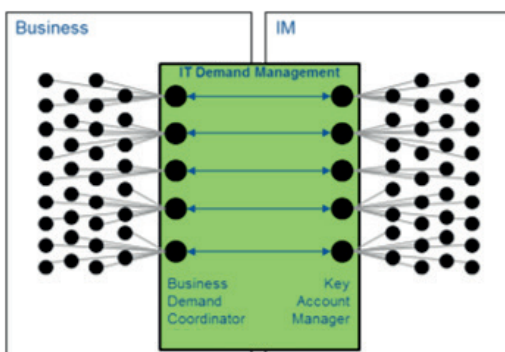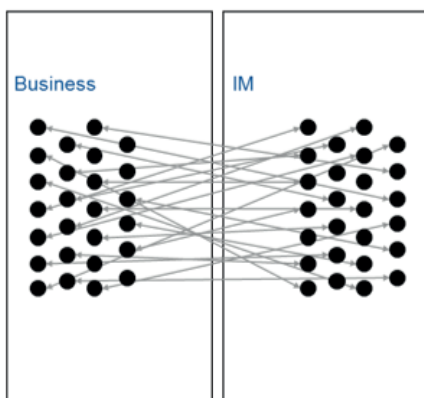
... to a clear IT Demand Management structure

2. Our team ensured the voices of both business and IT, at global and regional levels, were front and centre in designing the new BITAL collaboration concept. During an intensive workshop series, we formulated:
   • New IT Demand & Portfolio Management and Annual Budget Planning processes
   • New roles & responsibilities (Business Demand Coordinator, IM Key Account Manager, Portfolio Manager) within the defined processes
   • Standard BITAL rules, guidelines, tools and templates
   • Decision boards and governance elements (for example, prioritization model and escalation mechanism)

   With this inclusive approach, the finalized concept was highly credible with key business stakeholders across the organizational levels, helping to cement the global coverage.

3. During the final roll-out wave at WSD, we implemented the defined processes and organizational changes, closely aligned with the implementation of Planview, a professional IT project portfolio management tool. Communication and change management actions were prepared and planned.

4. The Go-Live of the BITAL collaboration model was prepared. 300 LEONI employees were trained in their new roles accompanied by global communication and change management measures. A satisfaction survey was conducted approximately six months after each BITAL roll-out wave and afterwards integrated into IM's annual customer satisfaction survey.

LEONI's outcomes: a powerful, holistic, and collaborative approach to strategic IT-business decision-making

With the BITAL collaboration model now successfully in place, the effectiveness and firm-wide visibility of decision-making across LEONI's business and IT functions has dramatically improved. According to Astrid Rooseboom, VP Program Management of LEONI WSD, "The introduction of the global Business-IT Alignment model for LEONI WSD significantly strengthened the communication and collaboration between our business units, central functions and the IT organization. With the introduction of Business Demand Coordinators, BITAL contributes to a more professional management of our IT project requests, and supports more goal-oriented IT investment planning across the different business units."

In all, the BITAL model re-defined the process of IT project request handling from its identification to the closure stage. It optimized portfolio value and performance by aligning strategic business and IT goals. It also standardized the project portfolio management process to improve consistency. Other key benefits include:
• Greater transparency of divisional and LEONI-wide IT project portfolio including budget, benefits, issues and risks
• Stronger governance of the different "owners" involved in IT Project Portfolio
• Robust fact-based IT project request evaluation, including cost and benefit assessment
• Structured and systematic approach to IT project staffing and delivery
• Implemented Demand & Portfolio Management and Annual Budget Planning processes as well as organizational changes (roles & responsibilities)
• Project Portfolio Management integrated with the Planview tool, with the tool implementation carried out by LEONI

But perhaps the true driver of success is the collaborative culture that was deepened over the course of the engagement. For example, every quarter it is now routine for the top management to come together in the Governance Board to discuss strategic business-IT decisions, as also happens amongst divisional leads on a monthly basis. Today, innovative and well-founded governance rules are in force, supported by consistent data-enriched reports and robust processes. This ensures LEONI is better-placed to deliver effective communications as well as proactively tackle strategic IT decisions in step with the business' rapid growth trajectory.

New roles fast-tracked communications: some 70 IT project requests processed/month in 2017

Global governance mechanism ensures high portfolio value: 13-14% of IT project requests are rejected, or 22-23% of requested project budget (for example, due to insufficient cost-benefit ratio)

Streamlined project portfolio prioritization: project categories allow identification of "must-have" project requests

"BearingPoint is highly capable to deal with both ends of the spectrum, working closely with the Business as well as the IT organization. BearingPoint is customer-oriented, and has demonstrated an impressive level of flexibility and adaptability."

Jochen Scharnweber, Portfolio Manager of LEONI WCS

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