

# CIO BRIEF: Developing Systems of Engagement

BMO and CAA show how IT can accelerate innovation and engage with employees and customers

*By Heather A. Smith and James D. McKeen*

---

CIO Brief meetings bring together Chief Information Officers from leading Canadian organizations to exchange best practices around information technology management strategy. Membership is by invitation only.

The sessions are co-sponsored by Deloitte and Queen's School of Business.

For more information on this industry forum, go to: <http://www.ciobrief.ca/>

---

THIS WHITE PAPER IS BASED ON THE PROCEEDINGS of a meeting of the group known as CIO Brief focusing on how IT executives can develop systems of engagement.

Traditionally, IT has developed systems of record based on executing transactions and generating management information from transaction history. Currently, it is extending its role to nurture systems of engagement that promote knowledge flows, context awareness, prediction, and agile action.

A system of engagement is a complementary mode for IT that creates value in different ways. It has three levers: accelerating innovation; engaging customers, employees, and partners in the moment; and orchestrating responsive supply chains. It is underpinned by governance — which addresses the new roles, rights, and rules, trust building, and administrative responsiveness involved — and technology, which includes integration, data stream convergence, cloud architecture, and adaptation.

In this white paper, IT executives from BMO Financial Group and Canadian Automobile Association describe their different approaches to this new type of IT work.

## Engaging Employees at BMO

Established in 1817, BMO Financial Group is a highly diversified financial services organization. With total assets of \$582 billion and 46,000 employees, BMO provides a broad range of retail banking, wealth management, and investment banking products and solutions to 12 million customers. In the United States, clients are served through BMO Harris Bank. BMO Financial Group is made up of three operating groups: personal and commercial banking, wealth management, and BMO capital markets.

Claudette McGowan is vice-president of Digital Workplace Services (DWS) for all BMO employees. Her team of 600 IT professionals plans, engineers, and supports workplace technologies across BMO branches and office towers. Her portfolio includes: email, file/print servers, multimedia, enterprise software distribution, image management, collaboration, mobility solutions, proxy services, and technology provisioning and support. “My job is to deliver a great digital workspace experience,” said Claudette. “To provide great customer experience, we must enable our employees through a great digital experience.”

This experience is based on three principles:

**QSB** Insight

- *Employee/customer-centric* — designed with the employee and customer in mind.
- *Measurable* — data are used as tools for design, learning, and continuous improvement.
- *Thoughtful, yet agile* — simplicity and pace are priorities but the goal is a sustainable end-to-end experience.

#### About the authors

Heather A. Smith is a Senior Research Associate at Queen's School of Business. A former senior IT manager, Heather is author of five IT management books. She is also a Senior Research Associate with the American Society for Information Management's Advanced Practices Council. In addition, she consults, presents, and collaborates with organizations world-wide.

James D. Mckeen is Emeritus Professor at Queen's School of Business Jim has been working in the IT field for many years as a practitioner, researcher, consultant, and speaker. In 2011, he was named the "IT Educator of the Year" by ComputerWorld Canada. Jim has taught at universities in the U.K., France, Germany, and the U.S. His research is widely published and he is co-author (with Heather Smith) of four books on IT management.

"Our mandate is to deliver digital workspace solutions that anticipate and fulfill the needs of BMO employees," she said. "We aim to do this by combining strong relationships, effective processes, and a commitment to delivering on these principles."

To achieve this goal, Claudette developed a strategy and business case to secure the required investment. This involved developing a deep understanding of how the bank currently connects to its employees and what needed to be done to improve their experiences.

She then prepared a one-page graphic (below) that captures how DWS works and the seven summits of achieving a great digital workspace that will have a large positive impact: partnership; mobility; archiving; collaboration; empowerment; simplification; and digitization. "The challenge we faced was, How could we provide a great experience if it took five to 10 minutes to log on, our users reported failing printers, and infrastructure was ready for renewal?"



QSB Insight

Claudette said improving the digital workspace is not only good for customers and employees but also good for enterprise productivity by streamlining labour-intensive work. For example, every month, her team receives thousands of help desk calls, delivers 38 million emails, executes 5,000 service requests, and manages 110,000 devices of all types. This clear, business-oriented approach attracted the investment and attention required to improve the workspace environment at BMO.

Claudette's plan for providing improved support and tools to make BMO's workforce productive, wherever they need to work, includes:

- **BYOD.** This is a new program that allows employees to use their personal mobile devices to access email, calendars, and contacts in response to demand that the bank support a greater variety of devices. It gives employees more flexible access to their work information, and BMO an opportunity to empower more mobile employees while keeping costs down. It is being phased in for different devices and DWS has developed a roadmap for each device and the support and services that will be provided over the next year.
- **Managed Print Services.** This is an initiative to upgrade and optimize the bank's printer environment. "Our aging printer fleet was becoming increasingly costly to maintain," said Claudette. "So we have partnered with a company to renew and fully optimize our output needs." This partnership is providing substantial savings while improving the quality of the tools available for employees. Optimization includes consolidating multiple devices in common areas so the traditional fax, photocopier, scanner, and printer are now one device. Small changes such as defaulting to dual-sided print are also delivering big wins.
- **Desktop Refreshes and Upgrades.** All personal computers are being migrated from Microsoft XP to Microsoft Windows 7, a faster operating system with enhanced functionality.
- **Improved Collaboration Technology.** BMO is adopting the Lync 2013 collaboration suite, which will enable instant messaging, presence, audio and video chat, and desktop sharing in one application. These tools will offer increased collaboration capabilities between employees and present a significant opportunity for the bank to realize the benefits of collaboration with partners and, eventually, customers.
- **Personal Cloud.** At present, there is growing demand for these types of tools that deliver document sharing capabilities, such as

Box and Dropbox. BMO is adopting a highly secure cloud file sync and share tool that will enable file storage in the cloud to simplify document sharing and synchronization of files with employee devices.

- **Enterprise App Store and Digital Lounge.** A new enterprise app store will soon enable BMO users to install approved public/consumer apps on their mobile devices. It will be delivered for some devices by the end of 2014 and for others in 2015. The Digital Lounge is a new series of ongoing online information events and materials to inform BMO employees about new technologies and services. It will enable them to ask questions about technology and provide them with awareness of new technology possibilities.
- **Enterprise Mobility.** This is key to the growth and future of BMO, Claudette said. "With mobility, worker productivity improves, employee responsiveness and decision-making speed increase, customer issues are resolved faster, and customer satisfaction increases." There are a number of internal and external challenges, however, that must be addressed before implementing mobile solutions. For example, external challenges involve immaturity of mobile technologies, lack of enterprise mobile platforms, and uncertainty in the mobile environment. DWS is monitoring the external mobile space and has identified four strategic priorities to work on: productivity, workforce mobilization, expense reduction, and mitigating risk.

"Driving change is not always easy and it certainly is not always smooth," said Claudette. "However, once a plan to change is in place, everyone's expecting you to execute on it... with precision."

## Engaging Customers at CAA

The Canadian Automobile Association (CAA) is one of the largest consumer-based organizations in Canada. Through its nine independent clubs, it serves more than 6 million members and has more than 140 offices located across the country. CAA provides access to a range of services, such as emergency roadside, automotive and travel support, and comprehensive insurance services. In addition, it advocates on behalf of Canada's traveling public.

Kin Lee-Yow was appointed vice-president of IT for CAA South Central Ontario (CAASCO) after a career in various leadership positions at the Royal Bank, Sears Canada, and Moneris Solutions.

CAASCO is CAA's largest club, serving close to two million members and more than 1.2 million households. "All our work is about engaging our members," said Kin. "We are obsessed with member safety."

Like many other organizations, CAASCO has traditionally operated in silos when relating to its customers: home and auto insurance; travel, roadside, and emergency assistance; travel medical; and loyalty programs. In 2009, its market share ranking was very low and it was losing money. "We recognized then that we needed data to do a better job of risk segmentation, so in 2010 we implemented a data warehouse for our insurance division," says Kin. "By 2102 we were profitable again with the best industry combined ratio."

Since then, CAASCO has expanded its services while centralizing some of its infrastructure to better serve its members. For example, it centralized its telephony platform so that callers stay connected with one customer service representative without being transferred.

Recently, CAASCO has sought to increase customer engagement in several ways. First, it added travel medical insurance in 2012. Second, it developed a social media presence through Facebook, blogs, and Twitter. For example, it held a "Twitter party" for members on a single day, which was the top-ranked party in Canada. Third, it has become a very active community advocate with programs such as: Worst Roads and the Autogreen challenge, as well as providing support for school patrols and road safety initiatives.

Its legacy applications, however, have made it difficult to provide a single view of its members. "Unfortunately, our systems still operate in silos, and so we have multiple types of customer records," Kin said. "In some cases, we even have multi-value fields where we have no idea of what the data means." This has caused challenges with both members and associates. Members get multiple promotions or offers of renewal and associates don't know the services a person has used, who they are, and what they can offer them.

"Our priority is to revamp our systems to clean up our data and provide a 3600 view of all our customers, whatever services they use," said Kin. "We want to put our members at the centre of our systems."

His data strategy has three parts:

- Clean-up existing data and establish master data management.
- Create a single version of the truth across the whole organization.
- Provide business intelligence tool across the entire organization.

To support this work, he will be replacing many of CAA's legacy systems with SAP, adopting its practices and processes wherever possible, and limiting customization. To address the expected change management challenges involved with this implementation, he has obtained CEO sponsorship and multiyear funding. A dedicated team will be created with IT and subject matter experts from the business, and headed by a dedicated seasoned executive sponsor who will report directly to the CEO.

CAASCO is also exploring telematics but with a member-focused twist. "It's not just about insurance," Kin explained. "Our goal is to make the data available to our members so they can become more aware of their driving behaviour. It will integrate with our 'connected member ecosystem' to support drivers through roadside assistance." This will include services such as remote car unlocking, traffic awareness, and tow truck locations and real-time arrivals. "With telematics, privacy is a concern for us, but we believe strongly that providing members with insights to their data will add considerable value to them and this will encourage them to want to share."

## Discussion

CIO Brief members asked the presenters several questions about how their IT organizations are changing.

### *Is your relationship with the business changing?*

"Absolutely, it is," said Claudette. "Because of our size, we can't treat the business as a single organization. We are working with 'ambassadors' from many business units who are helping to pilot new ideas and new technologies and helping discover true business value." Kin noted that because his organization is smaller, the business can be treated as one unit. He also works, however, with selected business heads for piloting new ideas and technologies.

Both agreed that IT is the business these days. "It's important to connect the dots between internal experiences with IT and how these relationships affect our customers," said Claudette. "Our digital lounge topics come directly from mining the calls/incidents reported to the help desk. Our goal is to reduce these calls significantly and provide learning about issues that are trending."

She added that mobility extends the organization's capabilities in a different way. "It's not just for the sake of mobility.

Having better data when and where you need it directly affects the customer experience,” she said. Kin agreed. He asks all his staff to go out to the front lines and work there to better understand their work. “This is a real morale booster for both IT and our staff and it makes sure that everyone is looking for the best solution,” he said. “And the business knows that IT understands what they do. If we don’t understand the business, we will fail.”

“We are also working differently with the business,” said Claudette. “Design is more important and pace and speed are increasing. Today, our work is more iterative and we are delivering value much faster, but we still have a lot of room for improvement.”

### ***How can IT best demonstrate it is delivering value?***

“First, you have to ensure that you and the business have the same vision,” said Kin. “And your whole team has to share it as well. Next, you have to demonstrate value in a way the business can understand it. Everything must be put into a business context.”

Claudette explained that when she was developing her vision for DWS, she refined it with her leadership team to engage them and then used the one-page visual to show executives what her group did and hoped to accomplish. “They were very accepting of this vision and immediately recognized the value that could be achieved if they invested in it.”

Sponsorship is essential for these new types of initiatives, however, and IT leaders must show that they are looking for value in every possible place. “You must not only ask for investment, you have to find ways to give back to the business as well,” she said. For example, her team negotiated a new hardware disposal deal that generates revenue. In addition, an in-depth review and reallocation of corporate wireless plans delivered significant savings for the enterprise.

### ***What new technologies are you using?***

“We’re using video for internal training and pilots iPads with our Insurance agents” said Kin. “We’re also testing out iPads with our agents and monitoring Twitter and Facebook as a outlet for complaints. We want to use it to better manage how we’re doing and hope that people will also note when we’re improving. But we’re primarily using it defensively at present.”

BMO is using video to highlight the features and benefits of new applications and generate excitement about them. They are also leveraging data analytics tools and personal cloud. Internally, they

are using more collaboration technologies to facilitate better conversations.

*What approaches are you taking to removing the physical constraints of work?*

“There’s a new type of work contract now,” said Claudette. “We need to understand people’s different personas — both at work and at home — and what they need. We’re preparing to more fully enable work at home and developing rules of engagement for it, such as having a private room as a workspace. Increasingly, we need to work more collaboratively in this way. We’re also making sure that people will have the right tools to get the most optimal performance.”

Kin added that he’s exploring using customer safety as a metric that will engage associates to interact with customers in a different way. “If members see the value to themselves, they will bring new members, so we want our staff to take more time with our existing members.”

# Canada's Premier Business School

Queen's School of Business is one of the world's premier business schools, with a faculty team renowned for its business experience and academic credentials. The School has earned international recognition for its innovative approaches to team-based and experiential learning. In addition to its highly acclaimed MBA programs, Queen's School of Business is also home to Canada's most prestigious undergraduate business program and several outstanding graduate programs. As well, the School is one of the world's largest and most respected providers of executive education.

Go to: <http://business.queensu.ca>

## Professional Programs to Accelerate Careers

### MBA PROGRAMS

#### Queen's MBA

This 12-month, full-time program develops exceptional leaders, valuable team members, and highly effective managers. Personalize the program around your strengths and aspirations.

#### Queen's Executive MBA

Designed for working managers and executives, this 16-month program is offered everywhere in Canada and at many international locations.

#### Cornell-Queen's Executive MBA

This program is a partnership between Queen's School of Business and Cornell University, one of the eight U.S. Ivy League schools.

#### Queen's Accelerated MBA for Business Graduates

A 12-month program for people with an undergraduate degree in business (or equivalent) and at least two years of relevant work experience. Earn a Queen's MBA while you work.

Go to: [http://business.queensu.ca/mba\\_programs](http://business.queensu.ca/mba_programs)

### GRADUATE PROGRAMS FOR PROFESSIONALS

#### Queen's Master of International Business

This program offers a global business curriculum and an international exchange, and features both single and double degree options.

#### Queen's Master of Finance (Toronto)

Earn a Master's degree in Finance in one year, while you continue to work. Developed in partnership with the CFA Institute.

#### Master of Management Analytics (Toronto)

Acquire the skills and knowledge to develop, direct, and deliver projects in analytics that add value to your organization.

#### Queen's Graduate Diploma in Accounting

The program consists of four accounting courses that meet the CA certification requirements.

Go to: [http://business.queensu.ca/grad\\_studies](http://business.queensu.ca/grad_studies)

### EXECUTIVE EDUCATION

Meet the competitive challenges of today's dynamic business environment. More than 10,000 managers from over 3,500 organizations in more than 60 countries have made us leaders in management education and development.

Go to: <http://business.queensu.ca/executiveeducation/>

