

“Mobilizing a Global Work Force in a ‘Flat’ World”
By Mike Jordan
Chairman, CEO of EDS

For Forbes.com CEO Network, 19 March 2007

Ever since the world “went flat,” industry leaders, economists and politicians started sorting out the implications for 21st-century businesses and governments. Clearly, globalization has come of age, bringing with it a wealth of opportunities and challenges.

A few things to consider:

- Globalization has accelerated faster than anyone first expected.
- The whole world is becoming one giant labor pool, as off-shoring opens up the free trade of labor – instead of goods – across borders.
- Wireless technologies and extended supply chains now widen the scope of global networks.
- There is a major shift in how, when and where work gets done.
- Legacy computer systems of the past cannot keep up with it all.

The main challenge for global enterprises such as EDS is how to harness talent and resources around the globe to sustain a competitive advantage.

This challenge requires organizations to strike a balance between the tangible and intangible aspects of business. Leaders need to set clear direction, provide personal incentives and model the behavior they expect. This must be followed by the right technology, tools and proper training. Employees, in turn, have to understand and commit to the company’s objectives.

Without this clarity, an organization loses its focus. Employees soon fill the void with work that distracts or complicates enterprise operations. Ever-increasing demands of a global marketplace only magnify such problems.

The Tangible Aspects: Building the Agile Enterprise

Managed well, technology can help clients:

- Reach their customers with the right products and services – whenever and however they want them.
- Support customer interactions – in person and online – with back-end processes that are responsive and always on.
- Gain a clear line-of-sight into their entire operations to make intelligent decisions about where the business is going.

Unfortunately, globalization has caught many businesses – and governments – unprepared to do these things well. They find themselves hampered by rigid, fragmented legacy systems. These systems are the by-product of trial-and-error technology strategies played out over decades, resulting in IT sprawl.

As enterprises grew, they found themselves straddled with excess, disparate systems barely able to communicate with each other – much less with supply chain partners. Rigid systems make it difficult, if not impossible, for organizations to respond quickly to market opportunities.

Rebuilding an IT infrastructure from scratch is far too cost-prohibitive and disruptive. Yet, companies can bring their outdated systems into the 21st century through legacy modernization, where technology assets are retired, consolidated and renewed. The result is more integrated, automated and cost-effective business operations.

EDS borrowed a page from the manufacturing industry's play book and employed an industrial engineering approach to revamp its own operations – to better serve our company and clients.

We are implementing productivity, quality and best practice programs. We also are establishing global standards, consistent processes and automation. The overarching goal is to create a standard operating environment that ensures we manage projects in the same efficient way – no matter the service we provide, the industry or client location.

Using a standard operating environment, EDS has established a “follow-the-sun” Global Delivery System. This allows us to move work from one team to the next across every time zone. It's an approach that leverages expertise and accelerates development – all while delivering secure, 24-hour customer service.

The Intangible Aspects: Engaging Your Work Force

By any measure, building a global network is a huge undertaking. In many ways, an even bigger job is engaging EDS' work force of 131,000 in more than 64 countries.

It's worth noting a significant number of EDS employees today were transitioned from client companies or added through major acquisitions. For instance, last year we acquired a majority stake in MphasiS, a technology services company in India. With it came about 12,000 people.

Such changes add layers of complexity to EDS' business – including differences in culture, management styles and generational perspectives. Such diversity, however, also bring new talent, skills and points of view upon which we can draw.

No matter who makes up our employee population or where we do business, we believe the key to engaging our work force is to leverage our company's DNA. This DNA is rooted in EDS' historical can-do spirit. It's personified in our promise to clients today: “We deliver on our commitments so you can deliver on yours.”

Over the past few years, one of my jobs was to strengthen this spirit through a highly disciplined operating culture.

Ultimately, engaging a company's work force rests heavily on front-line leaders – the people who employees know best and trust.

Training is critical to galvanizing these leaders to ensure a disciplined, coordinated effort. Because the market is constantly changing, we invest in our people to keep their skills sharp and relevant.

Training, however, is more than just filling skills gaps. It also provides a mechanism for establishing and building a strong culture. It sets the tone and expectations for leaders and employees alike. It reinforces core values and key business objectives. And, training provides an opportunity to live the company brand and drive home the EDS story.

We started a leader-led course called “The EDS Way” to help our people connect better with the company. Along with other EDS top executives, I personally speak at these classes. We continue to introduce new leadership development programs – again, led by our leaders.

We believe training is a worthwhile investment – one that’s paying dividends now and will continue to do so.

Bringing It All Together

Getting the best out of employees and the most from company resources is imperative for every business today. In the hands of experts, technology can increase productivity, spark innovation, ensure security and drive growth.

Achieving these things requires the right business machinery and work force mindset, including:

- An agile enterprise able to respond to customer needs and market opportunities.
- Employees who are engaged in the business and dedicated to client success.

Both call for a commitment to a clear and simple strategy. For EDS, it drives operational excellence, quality and global leverage – underpinned by a differentiated technology vision.

This combination gives EDS a center of gravity from which to work. It gives employees a reason to believe and clients the confidence to do business with us.