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CIONET UK COMMUNITY PROGRAMME 2023

COLLABORATING ACROSS

SECTOR BOUNDARIES

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Collaborating Across
Sector Boundaries

This article is written by [Roger Camrass](#), Director of Research for CIONET International. The content is based on the fifth UK Community Programme event of 2023, held on 3rd October 2023 at Bleeding Heart, The Crypt of St Etheldreda's..

The context for the event

In our modern digital economy, the traditional boundaries between organisations and sectors are diminishing as information is shared and new products are fashioned around the end customer's needs. The interrelationship between public and private businesses is also changing, driven by hyper-connectivity and hyper-personalisation.

What's clear is the way we consume products and services has changed significantly during the past 20 years, as has the way we define our businesses. Further inexorable change will occur during the next 10 or 20 years with the rise of artificial intelligence (AI). In this fifth Community Programme event of 2023, we learnt from leading practitioners about how collaboration can encourage innovation and growth. Areas covered include:

- Which sectors have made progress by exploiting cross-boundary collaboration?
- How might collaboration across boundaries help to improve customer experiences?
- Where can organisations achieve new synergies in product design?
- What technical advances could boost collaboration, and what is the role of the CIO?

The event followed our traditional format of a Master Class from a distinguished CIO leader, followed by a panel discussion of digital leaders and programme sponsors, including EY UK&I, Hitachi Vantara, Infogain, and CloudBees.

Session One: A Master Class by Charlotte Baldwin, Chief Digital and Information Officer of Costa Coffee

1. Why has collaboration across sector boundaries become more important?

Charlotte said collaboration is crucial in retail. She's worked in various sectors but believes retail is the most agile sector for responding to market trends. Collaboration with organisations outside the retail industry, particularly important to Costa, provides resiliency.

As well as its B2C retail outlets, Costa, which is owned by multinational giant Coca-Cola, runs an extensive FMCG and B2B business across 42 countries. While the UK remains at the heart of the operation, Costa is keen to disperse its global revenue to reduce risk and develop new opportunities. To this end, Costa collaborates with a range of partners.

2. How important is technology to collaboration, and what is the CIO's role?

Charlotte said technology provides a platform for collaboration. Emerging technologies create more opportunities for Costa to experiment. She's interested in Web 3.0 technologies and the opportunity to work with external IT providers that can help the business create virtual environments without risk. Costa maintains a range of channels to market and works with franchise partners. She said collaboration and data sharing provides an interesting way to accelerate growth so long as data security and governance are ensured.

CIOs have a unique position that allows them to see business-wide opportunities. Charlotte describes herself as the "chief joiner of dots". CIOs must keep an eye on the competition within their sector, but also in adjacent industries, because interesting innovations often bubble up outside your industry.

3. How much time should CIOs put into networking?

Networking is crucial to success. Charlotte said CIOs must be agitators around strategy development. She sits on the executive board at Costa and works closely with peers at Coca-Cola. She also spends time with peers in other businesses and discovers synergies, whether transitioning to new business models or dealing with the challenges of hybrid working.

Charlotte dedicates time to networking with her peers because it helps her identify new opportunities that she brings back into Costa. CIOs are busy delivering their transformation agendas, but looking beyond the enterprise allows you to recognise how other digital leaders have solved similar problems before. Charlotte has worked across various sectors, including publishing, finance and law. She said the CIO's role is to think about how the business can do things differently. Broad experiences provide different perspectives on creating digital solutions to business challenges.

4. How do you collaborate effectively with IT vendors?

Costa's strategic partners recognise the modern CIO plays a connective role and has a broad view across the business. Charlotte said that recognition means the nature of conversations with suppliers has changed – discussions are now focused more on business and less on technology. You can tell when collaborations with suppliers aren't working as the relationship feels transactional and operational.

Charlotte always starts with business strategy: "What are we trying to achieve?" She is as open as possible with suppliers because alignment is crucial to success. A strategic partnership is a bi-directional relationship. She wanted passionate suppliers that dedicate resources to delivering shared objectives. Costa's key partners recognise the need to work more creatively due to the growth of emerging technologies. Charlotte wants flexible contracts that help her to deliver composable architecture. Partners who embrace this flexibility have the opportunity to provide value-focused objectives.

5. How can CIOs help their peers understand the opportunities and challenges of digital?

CIOs have to become storytellers. Charlotte always reflects on how well she articulates her "north-star vision" of where the business could get to. Getting people excited about "the art of the possible" – such as building connections with younger consumers and embracing virtual worlds – is crucial. However, there has to be a balance – innovation is essential, but CIOs must keep an eye on operational concerns.

Charlotte's line-of-business colleagues always ask how an innovation will help them sell more coffee. The ability to provide helpful feedback to that question depends on the CIO's ability to understand the business. Charlotte spends time on the shop floor, which provides insight into operational concerns and business challenges. She then shows how technology can help solve short-term issues and support long-term growth.

6. What is your best-practice advice to CIOs about collaboration?

Charlotte believes CIOs have a better opportunity to identify cross-sector opportunities than their line-of-business peers. Talking to your board about how you've had a great conversation with another CIO is a great way to build connections with other companies. So, be open to new conversations and don't limit discussions to your industry.

Session Two: Panel discussion

Four distinguished panellists were asked to comment on collaboration from the perspective of both their own organisations and their professional experiences:

- **Maureen Wedderburn**, Non-Exec Chair, Medicines Manufacturing Innovation Centre Supervisory Board – CPI
- **Martin Bellamy**, Chief Information Officer – ZRG Partners
- **Louisa Perry**, Managing Director, Global Digital and Technology Officers Practice Co-Leader – Swiss Re Solutions
- **Asheesh Malhotra**, EY Lead Partner Technology Transformation, Microsoft, ServiceNow and Digital Engineering & Cloud portfolio – EY

What have you learnt about collaboration during your time as a leader?

Maureen, who formerly held a senior CIO role at pharmaceutical giant GSK, said collaboration is an essential skill for any CIO. Digital leaders must learn from others – they should consider who are the best people in the industry and they should learn from their approach. Working in partnership with others is easier than going out and doing it yourself.

GSK collaborated with motor racing team McLaren. Her team studied the activities of pit-lane crews and learnt how to change direction quickly. GSK also explored McLaren's pioneering approach to predictive analytics, where specialists at base feed in-depth performance insights to drivers on the track. GSK applied lessons learnt from this approach to its supply chain. Effective collaborations work both ways, too. GSK provided expert knowledge to McLaren on its own SAP implementation processes. Maureen provided another example of collaboration, where GSK learnt from Unipart and Toyota about how to deliver an effective global production system.

In her current role, Maureen said MMIC partners with academia and big pharma to drive innovation in the pharma sector. Cancer remains a huge healthcare challenge because of the expense of developing a technology platform that helps engineer effective drugs. MMIC partners with academic institutions to see how leading-edge research can be industrialised alongside big pharma with the right governance. She said effective collaboration is about bringing people together, failing fast, and industrialising great ideas.

What does effective cross-sector collaboration look like?

Martin said the 10-year restoration of UK parliament will cost several billion pounds. The project involves sharing data across organisational boundaries. Any solutions to restore the building must meet client demands and conservation requirements. His team uses a digital model that works on industry standards and allows all parties to visualise and collaborate on the development, design and build process. For example, digital modelling techniques have reduced the time for architectural reviews from weeks to days, producing better designs cost-effectively and quickly.

Martin said the public sector is more collaborative than 20 years ago. It is widely recognised that working together, including across the IT systems and services that support public sector processes, provides a win/win for all parties. Value comes from sharing data across IT platforms to meet objectives, such as reducing hazards during a building process.

The delivery of good customer experiences relies on giving employees operational excellence rather than slow-moving and clunky systems. But while technology supports joined-up working, the key to delivering effective collaboration is people. Systems are just a means to an end that allows empowered people to deliver great results.

What are the must-have capabilities for collaboration-focused CIOs?

Louisa said boards today are much keener to look beyond their sector for digital leadership talent than in the past. The best CIOs have experience from multiple sectors. Appealing candidates have navigated "difference", whether that's working in different sectors, companies, geographies or lines of business outside IT. Companies want curious CIOs who can draw on a range of business and technology experiences.

Today, strong CIOs must go beyond technology. Louisa said a deficit in your ability to communicate with the board and the executive team limits the potential impact of technology. You will lose your audience if you "go down the rabbit hole of technology". CIOs must have storytelling skills that inspire the business to invest in digital innovation. High IQ must be matched by high emotional intelligence. Act as a C-suite leader who happens to know a lot about how technology can be used to overcome business challenges.

Businesses are also looking for tech-savvy non-executive directors (NEDs). NED roles often focus on everything cyber, such as security, risk and governance. However, regardless of focus, CIOs have a big opportunity to engage the board through NED roles.

What does collaboration mean in a digital world, and what are the key challenges?

Asheesh said market forces are making businesses rethink their approach to collaboration and competition. First, he's seen clients collaborate on some parts of their portfolio and compete in other areas. Second, some clients collaborate on elements of the value chain to ensure technology is used to drive innovation and business success. Finally, companies are questioning their business models. For example, are automotive companies selling cars or mobility? Are pharma companies selling medicine or healthcare?

CIOs must carefully consider the partners they collaborate with and the technologies they use. For example, pharma companies would not have been able to innovate around drug discovery, trials and evaluation without the heavy use of AI and data. Another example is collaboration among gaming designers and developers. Asheesh said EY worked with Microsoft to develop a rights and royalty management blockchain solution. This solution provided real-time visibility on asset use to all the people in the gaming value chain. As a result, issues that might have taken days to resolve in the past were tracked in real-time.

Collaboration, however, doesn't come without risk. Asheesh said intellectual property (IP) is a big issue. Any partnership must deal with IP in a trusted manner. The core team working on a project must have the innate capability to build trust. Businesses must also consider regulation. If you can't work with regulators effectively, collaboration will fail. Finally, think carefully about customer consent for the use of data.

Concluding the event

Roger summarised the event by emphasising how consumer lifestyle choices have expanded over the last decade due to social media and e-commerce. They are seeking more holistic products and services that rely on cross sector collaboration. This implies the need for more active collaboration across sector boundaries to provide lifestyle solutions such as mobility, well being and financial security.

In this emerging world, the CIO has an opportunity to play a central role. Information and strategic relationships become crucial to achieving innovative products and services. CIOs often come from different sectors and can apply outside-in thinking to their organisations. They also have numerous vendor relationships that can infuse innovative ideas and techniques.

Roger's advice to CIOs includes:

- Gain wide sector experience through your career and deploy this within your organisation
- See yourself as the Chief Integration Officer by orchestrating connections between sectors
- Focus on business and customer needs alongside technical capabilities
- Encourage your executives to imagine new markets and products born out of cross sector collaboration

Roger concluded the discussion by thanking the attendees, the sponsors and the speakers who all helped to create an illuminating discussion.

Roger Camrass
Researcher director

A pioneer of today's Internet as an ARPA research fellow at MIT in the seventies, Roger has spent over forty five years helping corporations harness the power of new technologies such as cloud, mobile communications, e-commerce, voice recognition and satellite. He was a partner at EY responsible for e-commerce during the dot.com boom. He is a graduate of Cambridge University and MIT, and a visiting professor at the University of Surrey.

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