

Mead Westvaco

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When Mead and Westvaco—the country's two largest forest products and packaging companies at the time—merged in early 2002, Jim McGrane, then the vice president of process development at Mead, was promoted to CIO and assigned the unenviable task of standardizing the new entity—\$7.2 billion MeadWestvaco—on a single SAP system.

McGrane had started redesigning Mead's order management and financial processes four years earlier, so it was natural this new job would fall to him. But something about the project didn't sit right. Even though he was standardizing the processes the business would follow and providing users with a system that would enforce these new, more efficient processes, his own department was continuing to operate the same way it always had, following what was basically a collection of ad hoc practices.

"There was no focus on process for IT," says McGrane. The contradiction was obvious: The group responsible for developing and enforcing a set of common business processes didn't have a process of its own. Consequently, the IT department wouldn't be able to hold itself to the same standards it was applying to the rest of the organization. McGrane and his senior staff spent the better part of 2002 coming to grips with this disconnect by developing a vision for the future of the IT department and figuring out what core processes it needed to get there.

McGrane wanted a lean department, one that could anticipate and solve problems before they happened and adapt to changes in the business as quickly as the business itself changed. The team started with the governance frameworks available but invariably hit a wall. "We would look at stuff from Gartner and IBM and other places, but it was never at the level of something you could implement," McGrane says. "They would give you a description like 'availability management.' But [they] never really said what these terms were."

Then one of McGrane's staffers discovered the Information Technology Infrastructure Library (ITIL), a collection of best practices for IT operations first developed by the British government 20 years ago. It differed from the other process frameworks they had found: It was high-level but had enough detail to make the meaning of each term clear and show how it could be applied to an organization. Intrigued, McGrane bought 10 copies (ITIL is available only as a set of books or CD-ROMs) and he and his team read them over the December holidays.

At the end of the first quarter of 2003, McGrane formalized a plan to rebuild his IT department using the ITIL framework. Although MeadWestvaco's transformation is still ongoing, to date the company has eliminated more than \$100,000 annually in IT maintenance contracts and recognized a 10 percent gain in operational stability. McGrane credits these gains and savings to ITIL.

But putting ITIL in place isn't easy. McGrane says the process change is so substantial that CIOs should treat an ITIL project the same way they would treat an ERP implementation, measuring progress in years, not months. Also, CIOs expecting easy answers will be disappointed: ITIL doesn't offer any advice on how to actually implement the best practices it catalogs, a lacuna that can be shocking to CIOs used to highly detailed software development methodologies.

Perhaps for that reason a recent Forrester Research survey of CIOs at 65 large global companies found that, despite widespread interest in ITIL, only three percent were using it as their primary methodology. "It's in many more organizations [than three percent], maybe at the help desk," says Bobby Cameron, vice president of Forrester's CIO group, "but that doesn't mean that there is organizational acceptance or that it is part of an overall strategy."

McGrane did not use consultants, but admits that the trade-off is dedicating time and staff resources to building up ITIL expertise in-house. At MeadWestvaco, that meant a year of informal training, delaying the IT department's reorganization until the third quarter of 2004.

And that is just the start, quite literally. Designing new processes may only take months, but the amount of change required can be so substantial that most IT organizations will need several years to implement them. MeadWestvaco, which is currently using only the service support and service delivery books, won't launch some ITIL processes until the end of 2005—nearly two years after beginning with the framework. Even after the launch, McGrane advises, "it will be 18 to 24 months from the time you introduce it to the time you actually start seeing adoption of it as the way you do business."

Tom Thompson, MeadWestvaco's director of process transformation, is more candid. "You could probably do it in four months but you would have a bunch of dead bodies," he says.

"To run IT like a business, you need to understand the key services that go into it," says McGrane. "ITIL makes that work visible. It allows you to measure what is important, so you can emphasize the things that add value and take out the things that don't."