

Wincanton moves to more agile operations

Conor Whelan, Group IT Director at Wincanton plc – a European leader in the design and delivery of advanced supply chain solutions – talks about implementing a consistent set of procedures across an expanding business, aligning IT with strategic business thinkers and using the current economic climate to develop sustainable competitive advantage.





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Q. You've recently been appointed into the CIO role at Wincanton; what are your initial priorities, how have you determined what they are, and how will you ensure the business can respond to changing customer needs?

A. Wincanton's vision is to develop its range of outsourced services, extend into further industry sectors and increase its geographical reach. This requires a mix of organic growth and acquisition, which has seen the business double in size over the past few years. Change is constant. Our Business Alignment Team has been crucial in helping us understand, not just the priorities of the IT function's internal customers but also external customer priorities. And as we complement our current business model with infill acquisitions and venture into new geographies or sectors, I need to ensure we have a consistent and appropriate model for our IT organisation. I see this as one of my main challenges going forward.

One of Wincanton's key projects is the “One Wincanton” programme which helps to differentiate it from the competition. It focuses on our internal culture, but also four ‘operating principles’, which we call the “Four Pillars”, which are operational excellence, customer intimacy, product leadership and value. One of my priorities is to align IT to those four pillars.

Operational excellence seeks to deliver continuous improvement within our operating processes. Group IT contributes to product leadership by developing and supporting the logistical products and services provided to Wincanton customers.

Probably the hardest area to tackle from an IT perspective is value because we're managing a legacy estate. If we were starting from scratch we'd have far lower costs. My challenge is to introduce new technology and migrate onto new solutions. This also involves changing the mindset within the business. We have a change programme to educate the business so that we continue to get the support we need.

Q. You mentioned the “One Wincanton” programme; can you tell me a little more?

A. One Wincanton is a group-wide initiative aimed at creating a stronger, more consistent brand and a consistent set of standards and procedures across the growing organisation. We want to help our employees provide customers with the same experience wherever they do business with us. It will also encourage greater internal collaboration, development of leadership skills, communication and understanding. One of the key communications tools we will use to facilitate One Wincanton is our new intranet portal, One Place, which will encourage greater collaboration and knowledge sharing across the Group as well as providing information about our brand and the One Wincanton campaign.

I've been involved in the One Wincanton programme from the start and am a member of the Steering Group. I'm also responsible for championing the programme within Group IT.

Q. How do you ensure that IT strategy remains aligned to business priorities?

A. Each Wincanton business unit has an IT Director assigned to it. This Director acts as a conduit between the business and IT so that our strategy and projects are informed by business requirements. There is constant feedback and individual projects are sponsored and led by the IT enablers in the business not by IT, providing far greater buy-in.

We're now much quicker at making the strategic decisions needed to support business change.

Q. Have company priorities shifted in the current market environment?

A. We're not recession proof, but I see the economic downturn as a fantastic opportunity to drive a stronger relationship with our customers and our strategic business partners. By getting closer we gain deeper understanding and can develop smarter solutions.

For example, we're helping some of our customers to switch to sharing warehouse space or sharing spare capacity in non-liveried vehicles in order to reduce costs and flex capacity to match demand.

Internally we're examining our own processes and procedures. A key initiative at the moment is standardising our back office HR, Finance, Payroll and Procurement processes and reducing the number of legacy systems we run. This will deliver operational efficiencies and financial benefit.

Logistics is a tough environment so maintaining sustainable competitive advantage is business as usual for us. The economic downturn has actually helped in some areas. Often our customers work with a range of local, national and international service providers. By demonstrating how we can add value by fulfilling all their needs, we've persuaded many to change their approach and make us their sole provider.

Q. How do you see your role as CIO evolving over the next few years?

A. I'm very fortunate to have strong support from my Board colleagues and I hope to see a much closer relationship developing. I want IT to be viewed as a key enabler of Wincanton's future goals and strategy.

I expect to remain focussed on ensuring that the IT function understands business priorities and incorporates them back into the IT strategy planning process. However, my role will change as the business evolves and grows.

Q. Can IT help to drive positive business change?

A. Without a doubt. It starts with having the appropriate IT people aligned to the strategic business thinkers. My experience suggests that people in organisations are good at understanding internal capabilities but don't know what capabilities are available in the marketplace through new IT infrastructure or applications. They are also unaware of the key emerging trends.

Recently we've introduced Product Managers whose role is to research what is currently available and what the next innovations are likely to be. By bringing this knowledge back into the business they can help drive operational efficiency and meet emerging customer demands.

Q. Can you give any examples of IT initiatives that are contributing to Wincanton's corporate environmental policy?

A. We've recently drafted our Group Environmental Strategy following a year long programme of research and planning. We've taken an inclusive approach, seeking the opinion of our industry, supplier and customer stakeholders in order to understand their individual challenges and concerns.

IT can contribute in a number of key areas and we have a three-year roadmap of priorities. Throughout our legacy estate, we're implementing server virtualisation and consolidation by moving from site based servers to centralised servers within our data centres. This, along with other power reduction initiatives in our data centres, will significantly reduce our energy consumption.

We currently manage 27 different warehouse management system applications within the Group and these run on around 100 different servers across many different geographies. When we virtualise that server environment and migrate onto a new, single warehouse management system application we will reduce down to around 20 servers. The energy, support effort and space savings this will deliver will more than pay for the transition costs involved in migrating to the new strategic solution.

For our customers, the supply chain plays a key role in mitigating their environmental impacts and we are running a series of projects across the Wincanton Group ranging from collaborative high street deliveries to vehicle design and telematics projects to reduce fuel consumption.



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Q. How do you define business innovation? Can you give any examples at Wincanton?

A. When we asked our customers how they defined innovation, we got a wide variety of answers. It's hard to pin down. We believe that we're continually providing our customers with innovative solutions, but it's what they expect of us so they often regard it as business as usual.

Traditionally a warehouse or transport environment has been manually driven with a heavy reliance on paper forms. Scanning guns have been successfully used in warehouses for a number of years and we're increasingly seeing the introduction of voice-activated solutions that increase operational efficiency by providing a "hands free" environment. Voice technology has provided some excellent ROI figures for our customers.

The introduction of RFID is also helping logistics become smarter. However, the best use of this technology is in closed loop operations. They offer greater financial returns by constantly reusing the infrastructure.

Pervasive computing involving mobile devices is taking technology right out into the field, embedding intelligence into processes and bringing innovation. Handheld devices enable paperless environments that improve the accuracy of information available at each stage of a process. Mobile technology in cabs is also helping drivers on delivery runs. The net result of innovation is increased efficiency, lower costs and reduced environmental impact.

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