



*College of Computing and Informatics
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Bachelor of Information Technology (Hons) (Information Systems)

CISB444

Strategic Information Systems Planning

Case Study 3:

**“Jean-Pierre Corniou of Renault Shows
How to Bring Business Technology Out
Into the Open”**

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Case 3

“Jean-Pierre Corniou of Renault Shows How to Bring Business Technology Out Into the Open”

Assignment Questions:

1. What does Jean-Pierre see as the challenges of integrating IT into the organisation?
2. Summarise the strategic approaches used in Renault to integrate IT with the organisation.
3. From the way Jean-Pierre describes his approach to integrating IT, produce a checklist of the attributes needed by a CIO or information Systems manager. Add to the list.

Jean-Pierre Corniou of Renault shows how to bring business technology out into the open



In this case, the chief information officer of Renault talks about his experiences in managing IT at Renault. It illustrates the challenges involved with managing 1400 applications in a large company and shows the management skills needed by the CIO.

The key word for me is transparency. IT is about delivering services to end users, but the lack of visibility and transparency of IT is a problem in large companies. That can lead to a lack of confidence in the CIO, and can make it difficult for the CEO to understand the need for investment in products and the quality of service. My job is to bring transparency to IT.

Frankly, my job consists of being a bilingual guy: I speak both the language of business and of technology. I have to make IT understandable to everyone in the company. This is a challenge for all CIOs in large companies.

Renault, like other companies, started investing in IT in the middle 60s. It was pioneering work – there were just a few people in IT, working on large systems of great complexity.

People inside IT still have that pioneering attitude, of the era when IT was seen as secret, and complex, and they still consider IT to be a very specific environment to work in. But we need to open up, to build transparency, to build the confidence and trust of all stakeholders in the company.

One of my first major decisions at Renault was to build a team dedicated to marketing and communi-

cations. This has been questioned by my boss – why are you going to market IT? My answer was clear: because we spend a lot of money on it.

At Renault, this represents 1.7 per cent of turnover. We want to be sure that everyone in the company, starting with Louis Schweitzer [Renault's chief executive], is fully aware of the content of these expenses.

Costs like fax, e-mail, mobile phones and so on – the IT department is not totally responsible for IT costs, it's also to do with the behaviour of users.

These are things that users see as more or less free, and we need to make sure they understand their value.

We have invested lots of money in applications like ERP [enterprise resource planning] and websites, and when we analysed the level of utilisation of these products and tools, we were very surprised to see how much money had been spent on products that people were not using.

Very often, in large companies, there is a lack of training. We are not spending enough money training people to use products. At the end of a project, we are exhausted. We have spent months and years developing something, we want to move on to a new theatre of action – but the end user has not been trained.

So before investing in any new applications, the key driver is to use what already exists. We are running 1,400 different systems. Before starting anything new, I ask are you sure we are using what we have already?

My vision is to design, build, sell and maintain cars. Everything I do is directly linked to this, to the urgent need to increase turnover, margins and brand image. Every single investment and expense in the IT field has to be driven by this vision of the automotive business. What I have brought is a deep sense that the IT guy has to be totally business driven and results driven, not technology driven.

It's not so easy in this market, with the forces coming from the vendors. I fear hypes, I fear fashion, I fear sometimes consultants and vendors.

Because very often the push for new technology is a push to increase their revenues. I don't blame them for this, but really the CIO of a large company has to be the dam, the filter, between the vendor, and the reality of the business needs.

One of my challenges is to calm down the hype, and find out the real value of technology. We are in an industry where every decision is directly linked to cost reduction.

That's one of the reasons why I insist that being bilingual is so important. If you want to have credibility in the business community you have to know business.

I spend a lot of time in plants, in discussions with foremen in the field, trying to understand how they use technology to increase their efficiency.

I spend lots of time in commercial departments too, to understand the key business processes.

When I entered Renault, coming from the steel industry, I had to understand the complexity of the car industry. It's very complex, believe me. I spent days and nights trying to understand the business.

Also, you have to be operational immediately. I arrived in March 2000, and by July I had to propose to the executive committee a reorganisation of my organisation.

Bringing IT to the business community means the CIO has to be embedded in the day to day life of the organisation, and of course, to have a seat on the board. I consider myself more a business guy than an IT guy. I never studied IT.

I spend part of my time understanding the major trends in the future of IT, and trying to explain to my colleagues the extent to which IT can improve performance. It is very important to build an efficient network with my peers.

The CIO has not to be a foreigner in his own company. Communications, and learning to communicate, are very important. You have to be warm – IT appears cold, but you have to be open, and curious. That's very important.

In the automotive industry, a key factor is the digitalisation of the design process. This is fundamental to our business. You want to reduce the time to market, and the improvement of the quality and reliability, and you want better analysis of the life cycle of our products.

We are pretty advanced in this field.

The recently launched Megane family was designed and produced in 29 months, which is a very good result in the industry. Over the next few months, to reduce the design and production time is not the real challenge, but to increase the reliability of the production schedule. It's very important to have a fully reliable planning process.

We have managed to match Renault and Nissan because we are using technology. Like e-mail, and of course videoconferencing. When you are working with a team of partners who are 12,000 kilometres away, you have to increase the communications.

For example, I and my Nissan counterpart have weekly videoconferencing, for two hours every Tuesday morning. And two days per month we meet together physically.

Renault is becoming a more and more international company with the Renault Nissan adventure. It's very important to be able to connect. This is a key factor in our progress. We have decided to build a single common network, which we will implement worldwide next year.

Virtual working, by videoconferencing, is becoming more important. I consider it very important to develop the software environment to increase the virtualisation of the two companies. And of course we speak English – unfortunately.'

Source: Fiona Harvey, Bringing business technology out into the open – Jean-Pierre Corniou of Renault, FT.com; 16 September 2003.

Biography

Born: June 17, 1950 in Vichy, France

Education: Graduate of the Ecole Nationale d'Administration and holds a postgraduate degree in Economics

Career: Deputy director of employee affairs at Compagnie Generale des Eaux, deputy managing director of ANPE, director of information systems at Usinor. Joined Renault in 2000.