Interview with Bettina Uhlich on "IT Controlling"

Since 2006, Dr. Bettina Uhlich has been a Managing Director of Evonik Services GmbH within Evonik Industries Group. Prior to this function, Dr. Uhlich had worked for some 20 years in former Degussa AG (today Evonik Degussa GmbH) in diverse responsibilities: She started in the department Finance and Accounting, after that she was employed in Strategic and Operative Controlling. In the last eight years, Dr. Uhlich was one of the responsible managers for establishing the internal Shared Service. When the Evonik Industries Group was founded, Dr. Uhlich became a managing director of Evonik Services GmbH. Dr. Uhlich holds a Dipl.-Wirtschaftsingenieur degree, and obtained a doctor's degree in Business Administration. She is married and has one daughter.

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BISE: I thank you very much for giving us the opportunity to ask you some questions concerning the field of "IT controlling" – in spite of your very tight time schedule.

In a first part of our conversation, I would like to address some business goal conflicts – one could even say "dilemmas" – in order to see how you handle these goal conflicts in your daily business. In a sec-ond part, I would like to address a few topics with regard to the academic discussion around the "IT controlling" complex.

But, first of all: How would you describe – in brief – your responsibilities at Evonik?

Uhlich: At Evonik Services GmbH, I am an Executive Managing Director, with two offices in Germany, one in Frankfurt and one in Essen. We are the centrally and globally – but internally – acting *provider of shared services* for Evonik; however, we do not carry out acquisitions and we have – almost – no business activities beyond the Evonik group. Currently, we employ some 2.400 staff worldwide, about 1.900 of them in Germany.

The economic value added (EVA) of Evonik Services GmbH for Evonik results from two aspects. On the one hand, we *bundle transactions* – this is about volume and number of transactions. We, e. g., handle the central procurement manage-ment for Evonik. On the other hand, we see an EVA with the *bundling of expertise* – which results from centralizing exper-tise as well as experience. This is how our in-house management consulting or legal consulting services work, and it holds even for other tasks like finance and account-ing.

BISE: I may assume IT services are also part of your responsibilities and tasks?

Uhlich: Absolutely, this is my profes-sional focus. The sector of IT services employs some 750 members of staff world-wide; we have an output volume of about € 150 million within our internal transfer of performances to Evonik. We segment the IT services into application services (soft-ware and systems), infrastructure services (data centers and office work place equip-ment) and – orthogonally to the two men-tioned segments – service management. The latter comprises two departments, which are Global Service Support (with ITIL Process Management, the Service Desks, and Incident and Problem Man-agement) and, finally, the actual "IT con-trolling" (including Service Level Man-agement and Monitoring, Provider Man-agement, and Reporting and Planning).

BISE: Is "IT controlling" not a massive dilemma in itself? You are aiming at *effec-*

tiveness – which means designing functional IT compliance – but, on the other hand, you are supposed to achieve *efficient* cost benefit relations within IT Services. Do you sometimes have two souls in your body?

Uhlich: The identification of standards for the whole group, including IT-related standards such as safety standards, is a core task for us – our professional services are based on our internally available expertise. Our guideline is: *Provision of the required performance at the best price.* We assess ourselves and we are assessed according to parsimony criteria. In the last 4 years, we have been able to achieve a remarkable cost reduction of € 40 million for IT services.

The targets of our business objects are clearly defined by the board of directors of Evonik AG ("business drives IT"). However, we continuously provide improvements, improvement proposals, etc. We are even *supposed* to bring in these kinds of contributions and improvement aspects.

BISE: Does "your" IT have a certain – if so, which? – influence ("design contribution") on the business strategy of Evonik? Or, do you merely fulfill business goals?

Uhlich: Once again: *Business drives IT* – IT is no end in itself; we see IT in a "value leverage" function for the Evonik business. We are working on both, efficiency *and* effectiveness. Thus, of course there is a certain design contribution to the Evonik business objectives. For the diverse business units of Evonik, we have an increasing visibility and ubiquity of IT – due to the fact that IT services have to "prepare" and reduce the technical complexity of IT for the end users within the Evonik group. The services provided by us, for example for process consulting, have of course a massive impact on the business objectives of Evonik.

In my view the overall goal of "efficiency *and* effectiveness" constitutes a flashpoint, with three cornerstones: "Industrialization ", "standardization ", and "individual competitive advantages for the customer".

In this context, "industrialization" of IT means professionalization regarding the creation and manufacturing of products, as well as the provision of services – in terms of reducing errors in the systems, the systems' reliability, even including aspects like ("Lebensdauer") the duration of the lifetime of the systems' single components.

The "standardization" is an accompanying phenomenon of the formation of an oligopoly on the supply side of the IT market – for many years we have observed a reduction of the number of suppliers on the IT market. The standardization of the product range is a well-known side effect in oligopoly formation processes.

The third point "individual competitive advantages for the customer" is somewhat contrary to standardization. Standard products may – if at all – compensate and balance out competitive *disadvantages*, but tend not to contribute to a competitive advantage. In order to achieve competitive *advantages,* we continue to employ customer solutions in the field of IT.

BISE: How do you become aware of innovative topics beyond your daily operative business?

Uhlich: We operate an active innovation und prototype management; we purse a *pull* as well as a *push* approach for identifying new technologies and methods.

The pull approach means "listening to the market", where we try to identify the relevant aspects of technological innovation through "active browsing", like researching literature and the web, visiting fairs, etc.

The push approach means that we – from our own initiative – pro-actively face our customers with prototypes and functional models. This may raise their interest in these innovations. For the innovation and prototype management, we have a professional technology scan group whose full-time occupation these tasks are.

BISE: What about the role of the "noble" science with "new issues"? How do you address the – somehow unpleasant – rigor-versus-relevance dilemma? What about the temporal dimension – the timely availability of results in conflict with their maturity and usability?

Uhlich: In real life it takes both – rigor *as well as* relevance. The fascinating question for us is the question of a "good sense for business", what to bring into action when and where. At the end, this "good sense for business" decides on victory or defeat…

For example, look at a topic like supply chain management, addressing the organization and logistics of supplying (external) customers with Evonik products: Here we have a need for methodologically well determined process design – also by experimental findings. Here we aim at an "optimal" design of the relevant processes,

even if it takes longer; we seek hard for correct cause-versus-effect relationships.

On the other hand – addressing mere compliance with a regulative (or legally determined) situation – we are interested in more "relevant" means-versus-end relationships. For accounting and tax services we need no "noble" scientific approaches. We are happy to operate the interfaces to the financial authorities effectively and without much scientific effort.

BISE: Every day we are confronted by students with questions about current job descriptions – including that of the "IT controller". As for your perception, where do you see the key requirements for the academic qualifications of the IT controller? Are you looking for economy and business experts, computer experts and other technical experts, or what else?

Uhlich: One of the key requirements for us is the international and global compatibility ("international social competence"), because many of our services are delivered abroad. Sourcing with massive involvement of global regions poses a challenge, because the controllability of these activities must be ensured.

Regarding the study degrees, we think it is more likely that a technically educated person may acquire knowledge in economics than that – on the other hand – an economically educated person may acquire technology skills. At the moment we are recruiting more bachelor than master graduates.

More important than formal study degrees are relevant business experience and special individual skills. These criteria are clearly in the foreground when it comes to salary determination.

BISE: What methods (like ITIL, COBIT, among others) and which software tools do you use to support IT controlling? Do you see still further needs here for research and development – and in which specific areas?

Uhlich: In recent years, our company has made significant progress in the efficient management of releases, change and incidents (specifically regarding the arrangements and organization of responsibilities). This was clearly pursued and achieved by consequent dissemination and usage of ITIL. As software and tools we use monitoring tools, also tools for the asset management of software licenses, as well as ticketing tools and systems.

A desirable further and future development would be an even more comprehen-

sive "ERP" system for IT services, forming an integrated approach to support the order management, accounting and billing, and other standard features for IT services. This would, however, firstly require a commonly accepted definition set of "IT services standard processes".

BISE: For your company's management, what is the significance of key performance indicators ("IT figures") and benchmarks? Which IT performance indicators are particularly important? Do you cooperate with external consultants for benchmarks?

Uhlich: Although we are an internal service company of the Evonik group, we are nevertheless committed to market conformity. I refer to the above-mentioned phenomenon of the industrialization of IT in general. Our group-wide, but internal, customers will accept neither worse quality of service nor a higher price for our services – compared to the situations on the free market.

Therefore, we conduct a whole series of benchmarks – there are dozens! Some of them are created with external assistance.

For IT services, we follow a rational-economic approach, which – quite similarly to the popular Balanced Score Card approach – covers topics such as "service excellence", "personal skills", "business success" and "innovative partnership". To assess these topics, we use an extensive system of key performance indicators. Not at least, it is applied to the assessment of personnel – qualifications versus job titles – in the context of professional development.

BISE: Dr. Uhlich, we thank you for this interview!