Höeg: From its initiation until about 1985 Hydro adapted a traditional and excellent central IS organisation. However, this organization had a rather technical focus and did not have the capacity to respond to the new needs that emerged in the growth period. The acquired fertilizer companies in Europe were run by a “hands-off” policy for many years. The new oil and gas divisions grew so fast that they demanded full control over IT solutions. In the mid-eighties, the central IS organisation was given the opportunity to strengthen its services towards the core business divisions. Central IS proved quickly that it could deliver high quality services at competitive prices. To facilitate business thinking, Hydro Data was in 1985 organized and run as a profit center and a separate business unit. During the following years the core business divisions voluntarily “outsourced” most of their IS activities to Hydro Data. This solution required that Hydro Data understood the general IS/IT market. As a vehicle to ensure this understanding, Hydro Data was mandated sell their services outside the corporation. Although this strategy had many strengths, new IT developments and the need for a clear business vision required rethinking.

JGIM: What were the main elements of the new strategy?

Höeg: These are the key issues we considered and the key changes we made:

- IS/IT was recognized as an important enabler for the future development of the corporation.
- The core business divisions were asked to develop strategies and plans for their IT/IS utilizations. Simultaneously, they were asked to consider corporate as well as divisional needs and aspects when planning and selecting new IS/IT solutions.
- Hydro Data’s charter was redefined making it the internal service provider, to concentrate on the Hydro internal market, and to deliver competitive services.
- An IS steering committee with 4-5 representatives from the divisions’ top management was formed.
- A co-operative “IS-Forum” was established, consisting of the 12-15 IS/IT managers from the core business divisions and major staff units.
- To support the IS steering committee and the IS Forum, a corporate IS Staff group was formed. The IS Staff group also facilitated the administration of approved IS standards.

JGIM: Is this when the “consensus” process started?

Höeg: Yes, the revised IS strategy, expressed in one of very few Corporate Directives, legitimized spending time and
Related Content

THE EXPERT’S OPINION
www.igi-global.com/article/expert-opinion/51261?camid=4v1a

The Impact of Information Sharing on Order Fulfillment in Divergent Differentiation Supply Chains
www.igi-global.com/article/impact-information-sharing-order-fulfillment/51323?camid=4v1a

THE EXPERT’S OPINION
www.igi-global.com/article/expert-opinion/51280?camid=4v1a

One Village One Computer Campaign in India
www.igi-global.com/chapter/one-village-one-computer-campaign/19077?camid=4v1a