CIO Interview. . .

Creating and Sustaining a Business Edge Using Information Technology

Interview with Charles Darnell
Executive Vice President
Lithonia Lighting, Inc.
Conyers, Georgia

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Charles Darnell, Executive Vice President with Lithonia Lighting, coordinates all company operations in support of customer service. He is known around the world for the innovative and effective deployment of information technology. Darnell is a winner, along with Lithonia's CEO Jim McClung, of the prestigious "Partners in Leadership Award" presented by the Society for Information Management. The award is presented annually to the CEO/CIO partnership that has done the most to use information technology to carry out the company's business strategy.

In this candid and hard-hitting interview, Darnell shares his insights and his experiences gained over the 32 years he has been with the company. You'll see the thinking he has used to create the ongoing series of innovations that have led to and sustained a family of world-class systems.

Please give us an overview of Lithonia Lighting and your responsibilities within Lithonia.

Lithonia Lighting is a Georgia company. It was born and bred here. Now it's spread out, so you would want to call it a North American company. Canada, Mexico, and the U.S. would be our principal domain. However, we sell throughout the world.

We are the largest lighting equipment manufacturer in the world. We are around $800 million in sales. People may not have heard of us. Normal people don't get up every morning wondering who made the light fixtures hanging over their head. We are a broad-range lighting company, doing mostly commercial, institutional, and industrial, although we're really jumping strongly into the residential market through channels such as Home Depot, Builder's Square, and retailers of that nature. That is the most rapidly growing part of our business.

Our main business still will be the commercial sector: stadiums, large office buildings, shopping centers, malls, hotels, conference centers – anywhere commercial lighting is found. Our market penetration is really good. We have about 30 percent of the lighting market, worldwide – which is pretty darned good, if you think about it.

What are your responsibilities at Lithonia? Are you a traditional CIO?

Actually, I started at Lithonia as a systems manager. I wrote a lot of programs myself. Unfortunately, a lot of those programs still have my name on them . . . which sometimes makes me cringe. If something is wrong, I'm sure my name must be on it.

I went from that to director of information systems and then started to get corporate responsibilities. I'm now an executive VP with direct responsibilities for logistics and operations.

I don't think you would call me a traditional CIO. For a long time now, I've been a line manager and sit at the table with the rest of

the executives in the company. I'm told that not a lot of CIOs do that.

How much of your time are you spending on IT?

Less than twenty percent. A good eighty percent of my time is spent on other corporate functions like operations, getting the factory to produce the right things at the right times, and getting the product to the customer. Managing line duties . . . that kind of thing.

What did you do to get the sustained power that you have? What advice do you have for others?

Make yourself invaluable. Make your self indispensable.

How do you do that?

It seems to me that CIOs have a better chance than anyone else in the whole executive structure to do that. Every bit of the information about the corporate enterprise passes through their fingers. All the problem solving passes through their purview. Every strategy is pushed through their organization in one form or another. They have a better chance than anyone of becoming indispensable. And when there is an opportunity there, be there belly up. Work hard. Be a part of the solution.

Now, you've got to become very, very, very conversant with two things: product and customer. I tell you, I'm into lighting. I'm *really* into lighting. But, if I left Lithonia and went to an auto manufacturer, I'd really be into automobiles, or cup cakes, or whatever it is. It may not necessarily be what personally interests me, but lighting is my life. A large part of my life is determining what is the best lighting for the right place at the right time, how much should it cost, who are my competitors, and what do I do to make a better product, to make a better value-added.

But aren't you in that situation also because you have a functional, line, and executive responsibility. Or, are you saying that's really what you feel is the

success, *independent* of your other responsibilities.

I think it's the success independent of them. The reason I have these other responsibilities in the company is because I first became very, very conversant with our products, who it is they are built for, and who they are.

In other words, you're really into your products and services.

A person in information systems is developing business functions. That's what they're doing. They're not writing computer programs. In fact, we try to tell them "You're job is not writing code. Your job is not developing systems. Your job is systems delivery of mission-critical business functions."

Systems delivery, not systems development. That's an interesting shift in emphasis. But it works at Lithonia.

Systems development is a thing of the past. If you call your department "systems development, or "systems and programming," you're condemning them to failure. What they ought to be is business function. We call our group the Lithonia Business Systems Group. They are there to develop business functions. Now, if you're there for that purpose, it's only natural that you will ask "What is the product and who is the customer that you're developing it for?"

Lithonia's president, Jim McLung, has been very much to the point in describing the responsibilities of managers and their use of information technology. Can you share that insight with us?

A number of years ago, the president said to the rest of the company, "Information Systems is a support group. It's a tool-making group. But the success of your business unit is yours. If the computer is down or if the computer programs they develop for you don't work, I don't want to hear about it. I don't want you to come whining to me if the systems are down and you can't get your job done because it's your job to get it done, no matter what.

You can't use information systems as an excuse reason not to get your job done. Everybody – every executive – at Lithonia Lighting knows that.

How did you get to that situation? That's very conformable if you've got an executive who is not listening to the whiners. In most companies, the CEO does not give you that protection. They are excuses for not getting the job done.

You have to develop "C & C" with the chief executive: confidence and competence. If he has confidence in you that you're competent, he's going to support you all the way down the line.

Now, how do you develop that? You take on problems, you take on opportunities, you take on strategies, and you deliver them. And you deliver them in a very practical, gut-level way. You don't walk around talking bits and bytes and spouting computerese. You talk business language and you deliver business function. You don't go to him bitching about the size of the CPU or how many you've got and how many you don't have and that kind of thing. You develop with him the fact that it's problem solving. Today, if he has a problem, I am the first one he picks up and calls and says, "Charlie, we've got this problem. We've got this opportunity. See what you can do about it."

You tend to downplay technology. Yet I wonder. Do you tend to stretch technology in order to support business needs or do you tend to wait for the technology to develop before you attach a business requirement to it?

We stretch the hell out of it. In fact, that's a big challenge for me as an executive at Lithonia Lighting. I will tend to bite off more than we can chew sometimes because I'll stretch the hell out of technology. For instance, we needed a new specification system and I knew there was some imaging technology out there and that we could do it. I took on the project even though we didn't have the capability in-house.

But let me tell you something; the vendors never have what they say they've got. Never. You know that.

If you had one thing to change as you think back over the last 20 years, what would you change

I would ask God for competent vendors. Because they don't deliver what they say they've got. They don't support what they do have. They don't understand what you're trying to say.

Do you have a recommendation you would offer on evolutionary systems?

I think you should never think you are writing the "final" program. What we don't realize is that things are going to happen in the industry. You need to be in a constant state of change, constant state of flux. Don't embed anything in your programs. Have everything external.

Because of the fluidity and flexibility you have, your whole world needs to be based on change. Be constantly aware of the changes around you and see how you can pull those in.

You haven't talked about your people. People obviously are key in this. Are you finding the people you need? What about the people you have on board?

We're having a real people crisis. Client/server, GUI-based, highly interactive, integrated systems are tough to develop. They're a hell of a lot harder than mainframe systems ever were. You got all these new tools that should make it easier. They probably make it *possible*, but they don't make it *easier*.

So what we are finding is that the average person is not capable – not skilled enough – to be able to do this in the time-frame and with the accuracy and the quality that you'd like to have. In other words, we're into an era where the systems provider – the systems deliverer – has to have far more skills than they have today. And they have to be far more capable with the technology than they are today.

We have, out of 60 developers – 60 deliverers – maybe 6 to 10 that fit the category of highly skilled. We have a four-category evaluation system: Category One is highly skilled, delivers things on time, has few quality problems, and requires little management. At the other end, Category Four never delivers on time, always has quality problems, and has to be managed on a day-by-day, hour-by-hour basis. Out of 60 people, we have maybe ten Category Ones.   ·

You've actually ranked each one?

We've rank ordered every one of them, because we weren't getting what we wanted. We said "What's the matter with the process here?" Our worst skills come in the area of people skills and delivering things on time.

On time; that's not to the expectation of the user. That's to the needs of the business. The user doesn't expect it any sooner than we're doing it. But the business needs that function long before we put it out there.

You talked about the 6 to 10 key deliverers that you have. It sounded like a natural step toward outsourcing. But you didn't say that.

I'm not a proponent of outsourcing – on the other hand, maybe I am. At Lithonia Lighting, if we have a particular expertise that we need and don't have, and either can't afford or can't find, we'll go hire a contractor, buy it, or whatever we need to do.

I'm big on critical mass. I think the critical mass for our company is fifty to sixty deliverers

and the staff to support them. You wind up with an information systems group of around 110 to 120. We couldn't get much bigger than that. So when the delivery needs go beyond that critical mass, you have to go out and get some more capabilities in the form of a contractor.

I don't like turn-key stuff. You just turn it over to somebody else. What that means is that you don't know how to solve the problem, so you give it to someone else and let them come up with a solution.

That's interesting. Fifty deliverers in a recognized world-class company with $800 million in revenue (give or take a few dollars).

This is the way this company works. But more importantly, this is the way they've been able to sustain their success.

Charles, thanks for sharing your experience and, most importantly, your insight.

I hope it's been worth your time.

About the Author

James A. Senn is a professor of Computer Information Systems at Georgia State University in Atlanta. He is involved in research in a number of areas, including IS management and strategy, which formed the backdrop for this interview. He earned his Ph.D. at the University of Minnesota.