

# DIGITAL LEADERSHIP

An interview with

**Markus Nordlin**

CIO of Zurich Insurance





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## The Evolving Role of the CIO

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**Capgemini Consulting:** What have been your key focus areas over the past few years?

**Markus Nordlin:** At Zurich, our strategy has focused on leveraging our global presence to drive efficiency and expense reduction. In my role as a CIO, I help to simplify and improve our processes and systems thereby supporting our strategy. In support of these goals, Zurich's IT organization has focused extensively on IT infrastructure sourcing over the past few years. This

has helped to free up resources, which can be reinvested to achieve another key pillar of our business strategy – improved customer focus through digital transformation.

**Capgemini Consulting:** What is driving your shift towards digital?

**Markus Nordlin:** Digitization is set to fundamentally change businesses in the next few years, irrespective of the industry they operate in. This means it's imperative for companies such as ours to drive the evolution towards a digital enterprise.

Going forward, we see 'big data', mobility and social media playing key roles in our drive to achieve customer centricity and delivering the innovation needed to stay relevant in a crowded and ever-changing market place.

**Capgemini Consulting:** Zurich is just starting its digital transformation journey. How does it affect your role? Does it add new responsibilities?

**Markus Nordlin:** There are new dimensions to my role. As a CIO, I have to ensure that my team of IT leaders is aware of new technologies and enabling solutions. I now give regular technology updates to our Board and our Group Executive Committee, and I present a plan on how to respond to these new technologies: frameworks, pilot programs and broad rollout of successful technologies group-wide.

## Digital Transformation

**Capgemini Consulting:** How do you ensure that your team is aware of new digital technologies?

**Markus Nordlin:** We are creating a technology advisory committee that I will chair, which will have outside members,

from, for example, technology and FMCG companies, to keep abreast of the latest digital developments. In effect, this advisory committee will consist of both IT and business stakeholders to discuss “the art of the possible”.

**Capgemini Consulting:** How about implementation of digital technologies? Do you see a marked difference in the skills required versus the skills available in the current workforce?

**Markus Nordlin:** Sourcing has gone some way to reduce our internal IT organization. We now need to build capabilities in the digital arena and we are learning that this is a difficult task; especially in areas where there is a shortage of suitably trained professionals, such as data scientists for example. But, on the bright side, there is tremendous energy in the organization to pickup and learn new technologies. This has led us to believe that we can re-skill or retrain some of our own people to successfully manage our key digital transformation initiatives, such as the creation of a mobility center of competence or 'big data' efforts. We will also hire relevant talent to drive our digital agenda and supplement these skills with trusted partners.

This would be our three-pronged approach to obtaining and developing the skills that we need as we go forward.

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## IT/Business Relationship

**Capgemini Consulting:** You spoke about re-skilling. Do you also see a need for cross-pollination between IT and business?

**Markus Nordlin:** I believe that the successful leaders of tomorrow, in any business or industry, are going to be true hybrid professionals who have spent some time in IT but have shifted to operations and vice-versa. This will be very beneficial for businesses, as business and IT leaders will have common knowledge, common understanding and some common and shared experiences as they go forward.

**Capgemini Consulting:** You spoke about the need for technologically-savvy business professionals. Do you foresee a risk that business units staffed by these professionals may bypass the IT department and work directly with external vendors?

**Markus Nordlin:** In such a large global organization, this kind of a risk always exists. But it is our expectation that business units include us early on in such discussions; and we will be happy to help them go forward. For instance, if a business unit wishes to use a particular technology, we need to figure out the security and support issues related to this technology. But to make sure we have good relationships with our business units, I have to be the department of 'yes' and not the department of 'no'.

**Capgemini Consulting:** Looking ahead, do you foresee the creation of new roles due to your focus on digital transformation?

**Markus Nordlin:** Social media is one area of opportunity. These platforms might give us the opportunity to append social data to our existing database, in order to meet and exceed our customers' expectations — even ones that they don't have yet!

We are also looking at bringing marketing and communications people together to understand and harness the power of 'big data,' which comes from social media and the Internet. We need to look at people who understand both marketing and data and these will be pretty unique skills.

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## Future Challenges

**Capgemini Consulting:** Going forward, what are the major changes that you want to drive in the next two years?

**Markus Nordlin:** One of the key initiatives that Zurich IT is driving is our Digital Workplace initiative. Ultimately, our ambition is to ensure that our

employees, wherever in the world they are, have full access to all of our technology resources: click to call, click to chat, click to video conference, on any device. This year, we're rolling out the ability for all of our employees to bring their own iOS device — iPad or iPhone.

**Capgemini Consulting:** What are the other changes you would like to implement?

**Markus Nordlin:** Another key focus for us in this next year will be 'big data'. We will create our target framework and do some pilot projects.

**Capgemini Consulting:** Do you see any difficulty in convincing stakeholders about the business case for 'big data' or social media?

**Markus Nordlin:** We are still firmly looking at business cases for all of our IT investments. But we will need to set aside some resources for experimenting in these topics of mobility, cloud, 'big data', and supporting analytics. We need to learn what can actually drive real business value because this is not clear today in the industry.

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**Capgemini Consulting:** Going forward, what challenges do you foresee? What are the hurdles that you will have to overtake?

**Markus Nordlin:** In terms of future challenges, one of my predictions is that cloud might become the next legacy. Those who are moving into the cloud space are quickly realizing that governing a cloud deployment, knowing where this data is, what data is leaving an enterprise is actually very difficult to manage. I believe caution is required and we will move carefully into cloud computing only when and if it is appropriate.

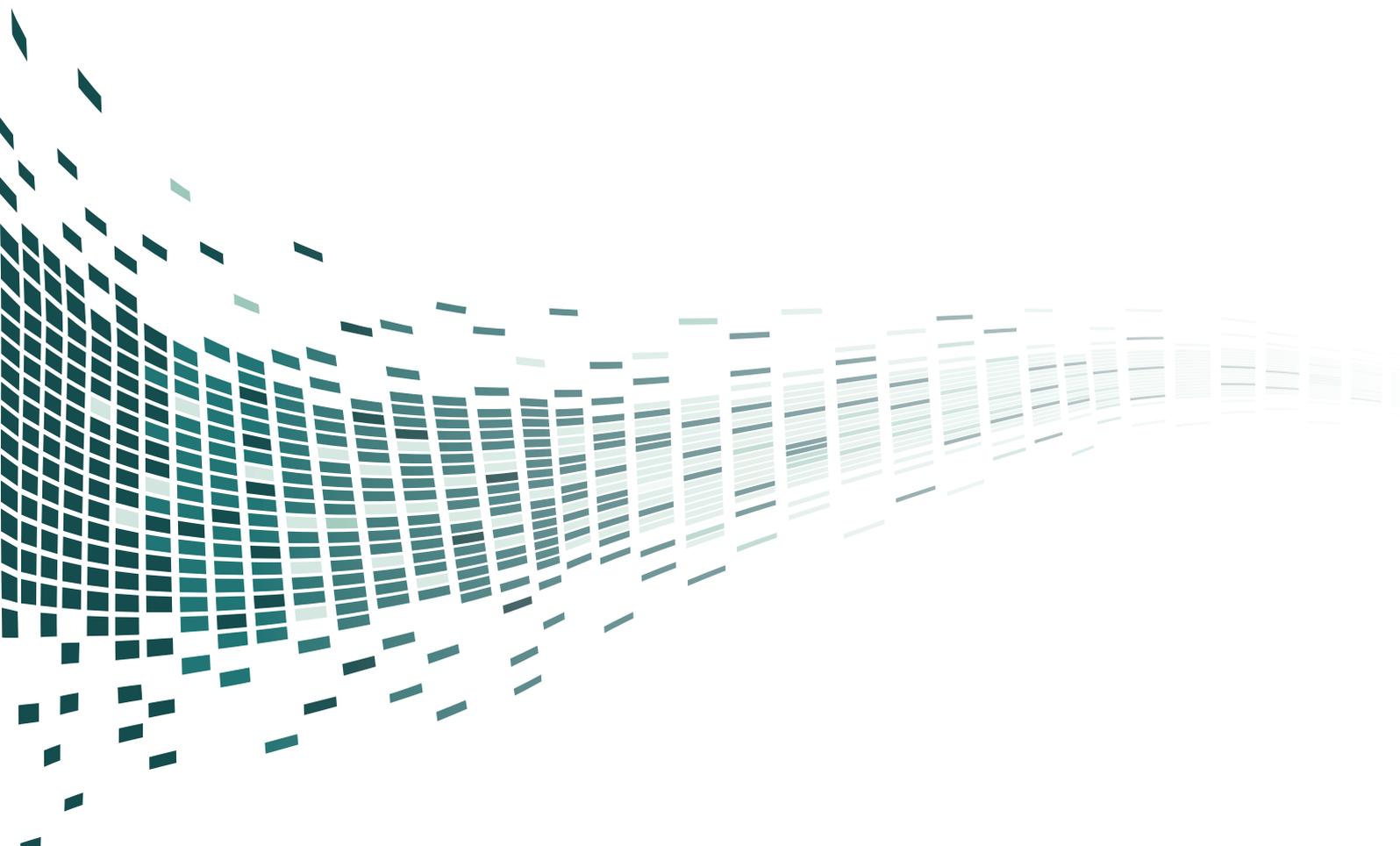
**Capgemini Consulting:** Do you see the CIO giving way to, say, Chief Digital Officer or Chief Data Officer in the next two-three years?

**Markus Nordlin:** For the large financial services firms, I see the role of the CIO remaining as before. The legacy, the volumes, the budgets are so large that it's hard for me to foresee that this role would disappear.

But yes, we will start having enhancements in roles whether they fit in IT or next to IT as partners in the business. Chief Digital Officer or Chief Data Officer are emerging roles that will definitely be key. But I think that the organizational constructs for these roles are still being experimented with. My

feeling is that the CIO will have additional roles and challenges but they will not eliminate the core responsibilities of a corporate CIO.

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CIO of Zurich Insurance

Zurich is a global insurance company with over 60,000 employees and operations in over 170 countries. The company is starting on a digital transformation of its customer experience. Capgemini Consulting spoke to Markus Nordlin, the CIO of Zurich, to understand the evolving role of a CIO.

## Capgemini Consulting

**Capgemini Consulting** is the global strategy and transformation consulting organization of the Capgemini Group, specializing in advising and supporting enterprises in significant transformation, from innovative strategy to execution and with an unstinting focus on results. With the new digital economy creating significant disruptions and opportunities, our global team of over 3,600 talented individuals work with leading companies and governments to master Digital Transformation, drawing on our understanding of the digital economy and our leadership in business transformation and organizational change.

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