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DuPont Q&A



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Q&A

PHUONG TRAM DUPONT CIO

As senior IT executives go, Phuong Tram can be considered a visionary. In leading DuPont IT into the future, Tram is embracing such concepts as cloud computing and the consumerization of IT. He joined DuPont in 1990 as an operations manager in Sydney, Australia, and in 2007 succeeded Bob Ridout as CIO. Tram's firsthand experience in customer service and plant operations serves the company well. In a recent interview at DuPont headquarters in Wilmington, Delaware, Tram shared his thoughts on the importance of building a business relationship with a strategic partner and on the direction that corporate IT is headed.

Tell us about the DuPont vision to move to new IT capabilities built around technologies such as Web 2.0, public infrastructure and cloud computing.

Phuong Tram: We need to ensure that we drive e-business, e-solutions, touchless orders and employee self service — that is what will improve DuPont's effectiveness. If you step back, the IT capability is human resources and application infrastructure. You have to be disciplined, but you also have to use "on-demand thinking," meaning, readily available. We have been outsourcing, but the way to move forward is cloud computing, and we need to move forward to buying IT as a service. We've been working with CSC to enable these things.

What is the DuPont IT organization doing to drive competitive advantage?

Tram: We are a global science company with a great deal of manufacturing and production, so we have a global supply chain. We need the ability to use our SAP, our data and our business process know-how to shorten the cycle time with the customer, to ensure that we improve customer service. We also need to increase the use of our working capital, which is capital inventory of finished products or semi-finished products — that is, variable costs.

This is a tough economy. We need to use IT to drive the maximization of cash through revenue generation and working capital reduction. This is about cost management, not just IT.

In addition to cash management, what is the IT organization doing to drive growth?

Tram: That's the biggest thing we need to think about. Where is growth happening? You have the industry approach, but more importantly, your customer is actually at the local level. So you've got to have what I call "business IT infrastructure" at the local place. You have to have the resources to tap into the global best practice to deliver the local solution, but also be very fast in responding at the local level.

The applications go beyond the traditional server applications. Information about the customer, sales or revenue goes to the iPhone, BlackBerry or land-line telephone. That is where you need to have the infrastructure managed so you can drive sales at the local place, with the customer. Then in the backroom, you can leverage all kinds of solutions and data and global information to bring to bear with the customer.

Can you elaborate on how you are achieving working capital reduction?

Tram: At DuPont, cash is king. I don't think this is limited to DuPont — it's true

at almost every business. We live in a very unprecedented environment. It is the toughest environment that I have seen in my working life — every single region, every single industry.

For example, how do we deal with customer service in these tough times? It's all about inventory reduction. So CSC brought to DuPont their proprietary supply chain know-how. How does it apply to DuPont businesses? It's no longer just a system environment or an application environment. It's not a rich IT data environment. It's process know-how, and that is what CSC has brought to DuPont.

When it comes to cash and credit collection, it works the same way. How do we work? We work with multinational banks on credit collection. What is the best practice? How do we do that? That's where DuPont taps into CSC's knowledge beyond IT.

CSC's relationship with DuPont began in 1997, and you've been here that whole time. What are some of the major successes over the last 12 years?

Tram: As one of our top partners, CSC has enabled me to look at costs on the fly and drive standardization and consolidation.

The relationship with CSC has enabled DuPont to be very flexible in the marketplace, to drive world-class IT with standardization because we have consolidated. At the high level, it's about flexibility, bringing in the right community, and world-class efficiency.

What advice would you give other CIOs when they think about entering a long-term, strategic relationship with a vendor such as CSC?

Tram: I don't know how people can work in a dynamic business environment without a partner. If you have everything in-house, how are you going to deal with variability, which is now constant? The only thing that stays constant is change. Change will always be there in business.

There's outsourcing, and then there's a strategic relationship. Never manage everything on a contractual basis, or you'll probably fail. You've got to have strategic relationship management. Your organization must be able to work with your partners. A minimum of twice a year, we have a meeting with the top executives at CSC. I bring along my top management as well. We very much have a strategic relationship.

We also have a problem-solving approach where, when the opportunity comes, we know how to come together. We have people who have knowledge of the commercial relationship, so we don't get things falling through the cracks. Then when an issue comes, we align our strategies. I know CSC's strategy, CSC knows my IT strategy, and together we make a team.

Where do you see corporate technology headed in the next 10 years?

Tram: You need to go where the global market is moving to, where the emerging economies are. Information-on-demand, the consumerization of IT, virtualization, Facebook, Twitter, collaborating inside the company, collaborating outside the company — it's all about information anywhere, anyplace.

The information can be structured data or unstructured data — the traditional data application infrastructure has to change. You have to really think about information-on-demand and buying IT as a service, and that will change the whole landscape. Information integration, process management and reengineering, and buying technology as a service — that's where we're going. ■



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CSC makes a special point of understanding its clients and provides experts with real-world experience to work with them. CSC is vendor-independent, delivering solutions that best meet each client's unique requirements.

For more than 50 years, clients in industries and governments worldwide have trusted CSC with their business process and information systems outsourcing, systems integration and consulting needs.

The company trades on the New York Stock Exchange under the symbol "CSC."

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