MT: When you think about the process of setting strategy for an organization this large and this global, how do you go about doing that? What's involved?

MD: In our case, the senior leadership team, which is about 12 people, is essentially the key decision-making group for the company and is quite involved in setting the strategy for the whole company. In each individual business, of course, you have a business leader who owns the strategy. But the overall portfolio strategy, certainly I, as the CEO, own it. But I'm involving this very capable team of leaders, many of whom were CEOs themselves.

I think we'll get a much better answer that way. I think we'll get a more bought-in answer, as opposed to trying to keep it confined to two or three people, just at the very center of the company. That's the way we're doing it. We believe that the line leaders have to own the strategy themselves to be able to execute it.

MT: How do you flow the information from the markets back to the line and up to the top of the organization, so that you feel like you have a strategy that represents where the markets are headed?

MD: We have pretty regular cadence of operations or views, and certainly we have regular metrics that tell us how the businesses are doing. We have to spend time in each of the businesses. If a business has either a lot of challenge or a lot of opportunity, we tend to spend more time on those businesses. So if it's new, or if it's in a bit of disrepair, we'll provide some extra attention. If it's just trucking along nicely, has a great strategy, and things are under control, there's not a lot for us to do.

MT: Can you share an example of an area where, because of the strategy process, you've decided to explore a new territory or expand the business? I read that you were expanding into business consulting, enterprise consulting.

MD: Services is a great example. We have a fast-growing services business. Four or five years ago, it was under two billion dollars. Now it's a six billion dollar business on a run rate basis, expanding rapidly--particularly in managed services and infrastructure services for our clients--as we move from products to services.

Let's say you're a company, and you have 150,000 employees. We'll take over the management of the whole client environment--the desktops, the notebooks, the printers, the software, the moving them around, the help desk. The whole thing. That's a big growth area of our business.

We're also helping customers deploy, install, and migrate to new enterprise solutions. So if you're doing a big e-mail installation, big server virtualization project, or big database cluster, you know there are a lot of services around those products that we're quite involved in.

MT: Was that the process of looking at competition and looking at what the market needed? Could you walk us through the time when you came to the epiphany that you wanted to go in this direction or expand in this business enterprise?

MD: We found a couple of things. First, we found that it's kind of the one-ten, one-one hundred thing with large customers. We would have one large customer saying, "Hey, will you do these three additional things for us?" And we would say, "Well, we wouldn't know how to do this third one. But these other two, we're happy to do those for you." Then ten more customers want the same thing, and all of a sudden it becomes a standard thing. It's very driven by what we hear our customers asking us for.

Not all customers will ask for what they want, so you have to understand that as well.
Some customers are much more forward about that. With others, we bring them a set of capabilities, and they say, "I didn't know you had that. That sounds great."

The other thing we've done is that we've taken our supply-chain knowledge and our Six Sigma quality process into the whole services world. And we asked how we take out the cost of the deployment and installation, usage, and life cycle of owning and using a PC or server inside a big company. That's a very different approach to services than is traditional in our industry, because we're really taking out cost instead of adding it.

We're doing things remotely. In the factory, we can have lots of folks in the field, too, but there are new ways of doing this that can fundamentally alter the process. So we'll go into a company, and we'll look at the map of what they're doing today. Here are the best practices that we know of to do this process, and which of those best practices would they like to select? That actually lowers the total effective cost for them of using these solutions inside their operation.