

Pfizer

I. Executive Overview:

Pfizer, the world's fourth largest company has a multitude of Information Technology needs. Pfizer is different from most other large organizations in that the company does not have a CIO (Chief Information Officer). Instead, Pfizer has an Information Technology Leadership Team (ITLT) that serves as the virtual CIO of the organization (**Exhibit 1**). This report analyzes the decision to maintain an ITLT in the face of Pfizer's changing business environment.

II. Critical Issue:

The critical issue for Pfizer is to first determine whether a Virtual CIO structure is sustainable and then to determine how to maximize the efficiency and utility of ITLT. Factors that need to be considered are changes in the business climate due to the merger with Pharmacia, effectiveness of the ITLT and extensibility of the ITLT as Pfizer evolves.

III. Analysis:

a. Problem of Sustainability

Many analysts equate a large company to one that reacts slowly to change and one that generally changes procedures and strategies quite rarely. For the most part, Pfizer does not fit into this stereotype of varying levels of outsourcing within the company and because individual divisions of Pfizer are very, very responsive to change. As such, a major concern for Pfizer is whether or not the structure of a Virtual CIO is sustainable in the changing business environment that Pfizer is a part of.

After the merger with another industry giant, Pharmacia, Pfizer's size grew considerably. In addition to this, IT processes, systems, and applications change immensely. It is difficult to gauge whether such a huge change would render the Virtual CIO template obsolete. With the addition of new departments and new technologies, the current Virtual CIO would be insufficient to handle all company IT needs because there would be a lack of knowledge about the systems of Pharmacia. Additionally, this lack of knowledge would necessitate adding more officers to the ITLT, in order to sufficiently cover the IT needs of all parts of the company. With more people, the bureaucracy in the ITLT would necessarily grow and the responsiveness of the Virtual CIO would undoubtedly diminish, even if in a slight manner.

b. *Effectiveness of the Virtual CIO*

Despite the potential downfalls of this Virtual CIO system, there are significant advantages to the system, which ultimately prove that the template is sustainable. As Pfizer grows, officers would be added to the ITLT, but the ITLT would not be required to make decisions as a whole as often as it would be required to make decisions based on specific departments. As such, bureaucracy would be minimized because only a small subset of the ITLT would have the expertise and knowledge to make a decision on the subset of the organization that they are in charge of. Additionally, a larger ITLT means that the Virtual CIO as a whole would have more control over the information policies of the entire company because each member would be more versed in the specifics of their information responsibilities, as opposed to being forced to control the information flow for multiple parts of the organization. As such, this report makes the claim that a Virtual CIO is not only sustainable for large companies, but also more efficient and effective than a traditional CIO.

c. *Extensibility of the Virtual CIO*

A problem with an extended Virtual CIO is that with time, the ITLT would become extremely large and the communication at the top level would no longer be nearly immediate and a bureaucratic slowdown would take place. In a company that relies on IT as much as Pfizer does, this would be disastrous. It is important to keep the Virtual CIO as responsive as possible but the breadth and depth of knowledge of the ITLT must also be taken into account. Balancing responsiveness and knowledge breadth is a common problem when creating teams to carry out specified tasks. As such, the extensibility of the Virtual CIO poses a problem in terms of responsiveness and this must be addressed when analyzing the utility of the Virtual CIO.

IV. Recommendation:

a. *Virtual or Traditional CIO*

It is the recommendation of this report that the ITLT be kept intact as the Virtual CIO of Pfizer. The Virtual CIO template allows individuals to control the flow of information to their respective departments and allows them to make specific, informed decisions about how information is used within their departments as well. This provides an advantage over one CIO that dictates the information policy for individuals at a lower level to execute.

b. *Extensibility Problem*

The problem of extensibility can be addressed by streamlining the ITLT every few months or after every new acquisition. The streamlining process would entail moving officers in and out of the ITLT as mergers, acquisitions or changes in the company structure take place. For example, after the Pharmacia merger, officers at the head of Pharmacia departments would be added to the ITLT. In order to compensate, the spaces for multiple officers in smaller departments would be condensed into one space on the ITLT. The most senior officer (of the streamlined spaces) would remain on the ITLT and be responsible for each department that was being streamlined on the ITLT. The officer(s) that are moved from the ITLT act as liaisons to keep the flow of information between the ITLT and individual departments at an optimal level.