

News

Time Warner takes one-database route

Sybase anchors challenge to local Bells

By Kim S. Nash

Despite a mantra of heterogeneous computing echoing through information systems shops these days, Time Warner Communications revealed plans last week to buck the trend and build a one-database shop.

The \$1 billion unit of media giant Time Warner, Inc. hopes to milk advanced features in Sybase, Inc.'s System 10 database in its mission to launch local telephone service in several areas of the U.S. Looser telecommunication laws are letting nontraditional players in the phone business.

Time Warner Communications hopes to capitalize on its existing fiber network, which stretches across a large part of the U.S. The firm also plans to launch telecom services via a hybrid fiber and coaxial cable network in the third quarter, said Mohammad Fahim, director of IS and services at Englewood, Colo.-based Time Warner Communications.

However, outrunning existing regional Bell operating companies (RBOC) and other cable suppliers with the same idea will be tough.

"That'll be one hell of a battle,"

said Bert Heath, a telecommunications analyst at Computer Intelligence/InfoCorp in La Jolla, Calif. "The RBOCs have more resources and tremendous cash flow. This has to be some technology infrastructure [Time Warner Communications] is building."

Walking the walk

To give the plan legs, Time Warner Communications recently signed a multimillion-dollar deal to standardize on Sybase database software atop Sun Microsystems, Inc. hardware across at least 30 of its 40 units nationwide, said Fahim, who resigned as Sprint Corp.'s IS manager last year. Custom Sybase consulting is also part of the deal.

Before settling on Sybase, Fahim evaluated database heavyweights Informix Software, Inc. and Oracle Corp. last year. Each product had pros and cons, he said, but Sybase pulled ahead in technology demonstrations. After that, Fahim prodded each firm "to prove to me that I will be successful with you."

Informix competed on price, matching the offer of front-runner Sybase. Oracle salespeople, mean-



Mohammad Fahim

Reaching out

Time Warner IS director Mohammad Fahim is touting Sybase to other divisions of the media giant, including Time's interactive TV group, which has dabbled with Oracle products for several months. "I just got a letter from [the group] asking me to recommend a software standard," Fahim said. "I would not say at all that we have standardized for our interactive media on Oracle."

while, tried a strong-arm approach, emphasizing Oracle's dominant market share in Unix relational databases, Fahim said. The Oracle salesman "said the big reason why I should pick them is because they are big," Fahim said. "I am still mystified."

Sybase people, rather than the products alone, finally nabbed the deal. Sybase founders Mark Hoffman and Bob Epstein have each visited Time Warner Communications a few times since negotiations began late last year. "That means everything to me," Fahim said.

It also means a lucrative deal for Sybase. Time Warner Communications has so far spent \$2 million on Sybase products and nearly \$500,000 on consulting services. Fahim said he expects to pay for more consulting as well as spend \$1 million to \$2 million on Sybase System 10 databases, Replication Servers and related software during the next several years.

Unconventional code

The company's IS blueprints buck other client/server and, some might say, traditional IS conventions as well. For example, Time Warner Communications balked at the high price of competent ob-

ject programmers in the U.S. Instead, Fahim has put the 12-hour time difference between Pakistan and the U.S. to good use. The company faxes application specifications to 40 Pakistani programmers at night. "I receive finished code the next morning," he said. An order processing application was recently coded this way.

Training and retaining good object programmers is pricey in the U.S., Fahim said. Going overseas is less expensive and, so far, less worrisome. Offshore developers "are dedicated to our project, and there's not a lot of other people wooing them," he said.

But a programming stumbling block arose because Sybase's database does not understand object technology. Time Warner Communications had to build its own translation layer to sit between the company's Smalltalk programs and the System 10 relational database. Should the company decide to bring in other major Sybase products, such as its enterprise framework methodology, custom object translation software will have to be written for it.

Translating object to relational structures and back again "is a product opportunity for Sybase, Fahim said dramatically.

Cost cutters turning to shared services

IS tries melding far-flung operations into megaservice centers

By Julia King

■ **To centralize or not to centralize is no longer the burning issue for information systems organizations under pressure to achieve greater economies of scale from multimillion-dollar technology investments.**

These days, the question is what to consolidate and where, according to IS executives at the growing number of companies involved in the cost-cutting process of converting some or all IS operations to so-called shared services.

Under shared services — a familiar management model in areas such as finance and human resources — scattered IS operations are pulled together into megaservice centers, which then serve all of a company's business units around the globe.

For instance, ITT Corp. in New York recently combined dozens of small, scattered telecommunications groups into a single telecom unit that now serves the entire \$24 billion conglomerate.

"Now we have a \$100 million phone bill instead of 100 \$1 million phone bills," said David Starr, corporate chief information officer. "That allows all of our business units to function as a \$24 billion company even though they may be only a \$200 million

company."

"IS is a natural candidate for shared services because technology touches all facets of a business," said Albert Ritardi, former vice president of administrative services at Allied Signal, Inc. and current president of Ritardi & Associates, Inc., a shared services consultancy in Basking Ridge, N.J.

During 1993 and 1994, Allied's shared services initiatives — which included the consolidation of 17 data centers into a single data processing megaservice center in Tempe, Ariz. — cut costs by about \$42 million, he said. "And these are cost savings that occur year after year. They're not onetime events," Ritardi said.

A little of both

A recent Computerworld survey of 200 senior business executives indicates that large companies are shunning a strictly centralized or decentralized approach to managing information technology. Only 7% of respondents indicated a preference for decentralized control and 17% for centralized control. The majority, 76%, prefers a balance.

A real need

Pfizer, Inc. in New York is converting data processing, telecommunications and PC LAN management to shared services. In doing so, Cathy O'Connor, vice president of corporate information technology, estimates the pharmaceutical giant will save millions of dollars on telecommunications costs alone.

"We now spend \$15 million annually on telecommunications. By going to vendors and negotiating with a full set of requirements, we're hoping to get savings or cost avoidance in the \$3 million to \$4 million area," O'Connor said.

But cost cutting is not the only thing driving the shared services trend. Changing business requirements is also a motivating factor.

As several of its prescription drugs are converted to over-the-counter products, SmithKline Beecham PLC, the London-based pharmaceutical giant, is creating a U.S. shared services group from several smaller IS units now located on either the pharmaceutical or consumer side of the business.



SmithKline Beecham's Lou Valente: *Going beyond business, no longer like crossing a 'no-man's-land'*

"What we're doing is building a capability to go between businesses," said Lou Valente, vice president and director of information resources at SmithKline's North American operations. "Before, that was kind of a no-man's-land," he said.

Under shared services, that same territory could turn out to be an oasis of opportunity for the company's 200 Philadelphia-based IS professionals, Valente noted.

For example, he said IS staffers from both the pharmaceuticals and consumer divisions will work side-by-side on the rollout of new financial and contract management systems that are being implemented as part of the company's shared services.

"That kind of cross-fertilization effectively creates a path of advancement between the businesses that wasn't there before," Valente said.