Racing ahead: How McLaren rebuilt its data strategy

Avoiding "the old hot potato" of passed responsibility

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🕐 20 April 2023 • 4 min read

Image: McLaren runs multiple lines of business, and the pandemic affected all of them

Luxury car maker McLaren could not simply switch to full remote work during the Covid lockdowns – but a partnership with NTT Data helped it find the road to recovery.

Like many firms, McLaren, based in Woking, has a diverse portfolio. Running an F1 team in addition to its luxury car business. That should have made it more resilient - but the pandemic said otherwise.

"Covid was certainly a challenge for us," says CIO Chris Hicks, who joined in January 2020. "Formula One stopped racing [and] people stopped buying supercars for a period - as you might imagine - so commercially we were challenged."

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Like everybody, McLaren initially thought the Covid lockdowns would be a short-term measure before the return to normal. The reality was quite different.

The company soon started looking for a partner who understood the unique challenges it and the automotive sector as a whole was facing; one that could help put a new model in place to support the unknown.

IT and service consultancy NTT Data turned out to be a perfect fit. Not only does the company have a team that specialises in the automotive vertical, but it was already a McLaren partner pre-pandemic.

"NTT were already in the picture. We'd just moved our IMS, our Infrastructure Managed Service, over to NTT - we were in the process of that transition when I joined, and it was fantastic.

"The team only had good things to say about them, their experience, their professionalism - certainly better than the incumbent we had before. The relationship was off to a good start."

The rise of remote and hybrid work, and fluctuating business demand, made flexibility key for the future of McLaren's IT - especially in the first months of the pandemic, when the company switched to producing ventilators instead of cars.

"NTT were really supportive of helping us adopt a new sort of self-service and predominantly remote working service model... Our relationship has definitely gone from strength to strength."

With that in mind, the partnership with NTT grew to cover more areas: application managed services (AMS) like ERP and CRM, and end-user servers (EUS), "which is your more traditional IT: your ITIL, incident, change, problem, service request and all that kind of stuff.

"Putting IMS, AMS and EUS under a single service provider help eliminate unclear responsibilities and "the old hot potato being thrown around," says Hicks.

The move was, however, "quite a paradigm shift" for McLaren, where people had been used to physically interacting with the IT team to fix an issue.

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The road ahead

McLaren has a history as a traditional manufacturing organisation, which lends itself to a culture of siloed working and data sets. With the NTT partnership and under Hicks' leadership, that's starting to change.

"There's huge value to having common data models: shared data across the organisation that's useful to finance, sales, marketing, design, whoever. Having shared access to that data in real time has been a game changer for us."
McLaren calls this the Digital Data Operating Model (DDOM), which NTT is helping to implement. It's already paying dividends in terms of efficiency improvements - especially around staff time.

"One of the challenges is we hire highly skilled, highly motivated individuals - at a high cost as well, right? But the reality is we've found that due to historical inefficiencies across the organisation, a lot of these individuals are spending too much time doing non-value-add activity - and not exciting activity.

"We want people to be doing really exciting innovative stuff. So where NTT has been helping us with things like the data strategy, the DDOM work, things like our financial reporting...it allows our staff to spend their time doing more value-add, more exciting work, frankly. It's been a huge win all round."

Another piece of the transformation pie is in systems: specifically, SAP. McLaren today runs on "quite an old version" of SAP, but has started the move towards S/4HANA with NTT.

The service provider is helping the car maker build a business case around S/4HANA's new capabilities, the benefits of switching, simplification and future growth.
And that's important - McLaren's current SAP implementation will reach end of life in 2027.

"[NTT is] really helping us identify opportunities for maturing the way we manage data," says Hicks. "It's a continuous journey, especially with the adoption of new technologies, whether it's DevOps, low code, AI... We need to make sure that we capitalise on them and use them to derive value for the teams and for the wider organisation."

Link to original article: Racing ahead: How McLaren rebuilt its data strategy (computing.co.uk)