LINDA M. DILLMAN
ORAL HISTORY

COMPUTERWORLD HONORS PROGRAM
INTERNATIONAL ARCHIVES

Transcript of a Video History Interview with
Linda M. Dillman,
Executive Vice President, Risk Management &
Benefits Administration
Wal-Mart Stores, Inc.

Recipient of the 2006 EMC Information Leadership Award

Interviewer: Ron Milton (RM)
              Chairman of the Board of Trustees,
              Computerworld Information Technology Awards Foundation

Date: April 14, 2006

Location: Wal-Mart Headquarters
              Bentonville, Arkansas

Today is Friday, April 14, 2006 and we're interviewing Linda Dillman, Executive Vice President of Risk Management and Benefits Administration for Wal-Mart Stores. The interview is taking place at Wal-Mart's headquarters in Bentonville, Arkansas.

This interview is made possible by the Chairman's Committee of Computerworld Honors, and the interviewer is Ron Milton, Chairman of the Board of Trustees of the Computerworld Information Technology Awards Foundation.

The honors program was established in 1988-89 to seek out, honor, and preserve the history of the global information technology revolution by Roger Kennedy of the Smithsonian Institution's National Museum of American History, Patrick McGovern of International Data Group, and the Chairmen of forty of the world's leading information technology companies.

This oral history is being recorded for distribution to more than 220 national archives, museums, universities and research institutions in more than fifty countries on six continents around the world, and for the program's archives on-line.

Without objection, the complete video, audio and transcripts of this interview will become part of these international scholarly research collections and made available in complete or edited form to the general public on the worldwide web.

This discussion, however, is private and should any participant wish to withhold from the public record all or part of the recordings of these sessions, this request will be honored for a period not to exceed twenty-five years.

All present here are honor-bound to respect such a request, and by remaining here, they accept the personal and professional and legal responsibility to abide by this agreement. With no objections being heard, we will proceed.

Ron Milton: Let's start at the beginning. When and where were you born?

Linda Dillman:I was born in Fort Wayne, Indiana, a great town in northeastern Indiana. Can I just say I was born sometime in the 1950s?

RM: Absolutely.

Tell us some of the sights and sounds, friends and early experiences you had there growing up.

LD: First of all, Fort Wayne is very much a middle class, heart of America kind of town. Actually it is a bit of an offshoot of the auto industry, very heavily influenced by the auto industry. They were the home of the original Fort Wayne Pistons by the way, which are now the Detroit Pistons.

I grew up in a lower-middle income neighborhood. In fact, the street I was raised on they used to call it Fertile Valley because it was where families moved when they were first married and had children, and then they moved away. So we had a lot of kids around. People had very solid core values. It was a place where people didn't have a lot of riches, but people took care of themselves and they took care of each other, and you learned that growing up.

RM: Tell us about your parents, and did you have brothers and sisters?

LD: My Dad was a letter carrier for 35 years. He delivered mail. First on foot, and was well known in the neighborhood. He actually delivered mail in the area where we lived. And my Dad was a great role model for me, but he was one of those people who approached his job a little differently. He got to know everybody on his route. He knew them by name. He knew their families. He knew if they were sick. Christmas was always great fun because he got all these gifts from the people on his route.

My mother was a homemaker. They both grew up in the area. My mother spent part of her time on a farm. My dad was son of tenant farmers. They were both from the area. I have two older sisters and a younger brother. I guess we're spread about 12 years in age, and I'm smack in the middle.

RM: Are there any stories your family would tell of early signs of your future career as a leader, or a fascination maybe with science or technology?

LD: You know not as much technology but I don't know if there was as much technology around then. But I've always loved puzzles, and I think that's as great an indicator. When you apply technology in business, the love for me, the fascination for me, is solving the problem as much as it is the technology itself, and I think that may be the early sign. I loved to do crossword puzzles. I liked those little games they had when you tried to undo the little pieces. I always loved all of those things.

RM: Who or what was the biggest influence on you as a young person?

LD: For me it's unquestionably my father. When you look at him – he was from a farm, and my dad didn't have great success in his career, but he had great success in his personal life. And I had a very well rounded, healthy childhood. My dad was very grounded in what he believed, and I never, ever saw him compromise that for any reason. That's something that always stuck with me as I have gone through my career is – you have to know who you are. You have to know what your values are, and there's no reason to compromise that. You don't have to compromise who you are.

RM: How about mentors, or teachers in school who were also influential in addition to your father?

LD: There are a couple that I can think of. There was one in my Junior High, Mrs. Stein. She actually came from a well-to-do family. At that time she seemed older to me but I was 13 so I am sure she was probably about my age now. But she taught because she loved it not because she needed to teach. It was not a career for her. It was a passion, and she taught history. She approached every class as an adventure, and she took an interest in every one of her students - including me - personally in trying to learn what you liked and understand what your aptitude was, and challenge you. And not just to learn history, but to challenge you personally. It was probably the first time where I experienced somebody taking that kind of a focused interest in me as a person, not just a member of a classroom.

RM: At that age, did you have an idea of what you wanted to do when you grew up?

LD: Oh yes, and I always tell people the good news is you don't have to commit early to what you want to do. First I wanted to be a stewardess. That was when that was a very glamorous job, and then I wanted to be a beautician. People ask me, "Why did you want to be a beautician?" Well growing up I the 1960s, and I think this is important for women in particular today, when I looked around my family, I had a very great examples of women who were very strong personal roles models, but there weren't a lot of professional role models. As a girl I looked at what the potential was for my career and the most successful women I knew, one was my cousin who was a beautician, and had just opened her own shop, and one was my aunt who was an executive, administrative assistant. So when I looked at what success could be defined for me as a girl, that's what I thought success looked like. So I thought until I was probably a sophomore in high school that I would go to beauty school and be a beautician.

Then the further I went in school I had again, some great teachers that challenged me, that said, " You really should consider college. Look at other options." And really step-by-step throughout my career I found that the horizon, the potential was bigger than I had thought of until that point.

RM: How did that next career goal change and who influenced it, was it the process of going through college at that point?

LD: I went to college and hadn't shifted my expectations too far you'll find. I went to a small college in Indianapolis majoring in Business Administration. And again my goal was to go be in a support role, an executive support role. And I had a college professor, Julie Tinsley who taught Computer Science. We were required to take Computer Science courses, and I took the first course. It was probably an Intro course. She kept coming back to me and saying, "You know, you do very well in this and you need to consider something broader and something bigger." I didn't at that specific time. I was in a hurry to get done with my degree, to get out on my own, to be independent and self-sufficient. But I never forgot that, and as I worked over the next few years I found that some opportunities arose where I could actually look at computers as a career.

Her words always stuck with me, I mean I was able then to connect those, go back and get some more schooling and start to grow my career in technology.

RM: You changed colleges at one point. What was the reason for that?

LD: I finished a two-year degree at the University of Indianapolis, which was my first goal, and again, I was very focused on getting out on my own, being independent, having my own apartment, being part of the adult world. And really from that point on, I went back to school nights. I went to a couple of different colleges to get the rest of my education in night school.

RM: When did you first explore the field of business management and/or technology?

LD: I had an interesting career path. I did support work for the first couple of years. I actually was office manager in a small firm in Indianapolis who built parade floats for a living, which was fascinating.

I ended up working for Hewlett Packard. I started with Hewlett Packard in the early 1980s in the Indianapolis sales and service office in an administrative role. It was in the contracts group, working on contracts for hardware support. And again, it's always interesting how people take an interest in you and your career, I was surrounded by all these wonderful technical sales and service software folks and they saw my interest, and I got lots of encouragement. So after a year and a half, I moved from there into computer operations, into the computer operations for the local group, and again continued my schooling. Then after five years at HP I moved. I left to go to a small firm to be their systems manager. But it was really what those people at HP taught me, that allowed me to really make that career move from that administrative support role into a technology role.

RM: So did you have a particular mentor at that point who saw that technological ability in you towards management?

LD: Absolutely, and I've looked at that period of time and wondered if there was any one person, there were actually quite a few. And I think it gave them an opportunity to teach me, and they did. They invested time in me, teaching me what they were doing, what they were learning, what they were dealing with on accounts, the new technology that was coming up for HP, and it really inspired me to learn more.

RM: Tell us about the opportunity in 1991 to go to Wal-Mart, and why you chose not to at that time.

LD: And David Glass to this day reminds me what a bad decision that was.

I had worked for the Wholesale Club since 1987. The Wholesale Club, for those of you who don't know, was a Sam's Club competitor at the time. The founder of the Wholesale Club was John Geisse. John Geisse was a pioneer in discount retailing just as Sam Walton was. John Geisse founded both Target and Venture Stores, most people have heard of that.

The Wholesale Club was John's last venture. He was one of those people who loved to start new enterprises, and he was late in his career, he was really at that stage where he taught. He wanted to teach what he knew. We were very small so I had the wonderful, great opportunity to learn from one of the creators how retailing really worked.

I worked in an IT shop that had 28 people when we got acquired, and we did everything. We wrote software. We supported it. We manned the help desk. I was a developer. I was a programmer. I still love programming. They won't let me do it anymore. When you developed programs at the Wholesale Club, and I had responsibility for a lot of the store systems, you would go find the tools, read the manuals, if it was with new tools, figure out how to develop it. When you went to install it – I would fly out with my tool kit, which included soldering irons – because you would run the cable, you would connect the connectors, you would put the equipment in, you would train all of the users, and then you would fly back home and monitor and see how it worked. For me it was a great way to learn because you got to see everything from end to end. I was very happy in my job. I loved what I was doing. In fact I was a week away from closing on my first home. It happened on a Monday afternoon. The Wholesale Club, we were competitors with Sam's by the way, so it wasn't a love-love relationship between Wal-Mart and the Wholesale Club at that point. They called all of us into a conference room and said, "Congratulations, good news. We have sold the company to Wal-Mart, and you will all get a job offer to work in Bentonville, Arkansas."

And I'm sitting in Indianapolis, city of a million, that I loved. I was just about to close on my first home. I had never been to Arkansas. I certainly had never been to Bentonville, Arkansas. And I was going, "Oh my, now what do I do?" I worked with Wal-Mart through the conversion. That was in September. February 1st was when the deal actually went through, and that was when Wal-Mart officially owned the clubs. There were lots of things going on in my life. I wasn't really sure how much I wanted to go to this great big company. There was fear that you would lose that level of involvement. I also had some things going on personally, some family members, that made me decide I didn't want to take Wal-Mart's offer at that point in time.

So I didn't. I actually ended up going to Dallas and worked for a company, Bizmart, which was like an OfficeMax, Office Depot company. And they got acquired. So I was pretty tired of being acquired. When I went though the conversion with Wal-Mart there was a young business analyst who came out to work with us on it that I got to be pretty good friends with. His name was Kevin Turner, who has done very well both in Wal-Mart and other companies, and Kevin is nothing but persistent. He kept in touch with me the whole time I was down in Dallas. Periodically they would call and say, "Are you sure?" And finally about August of 1991, I got the call and they said, "Okay we would really like you to come and manage the development team for the Sam's Clubs." And it was the business I knew and loved and probably the right time in my life to do it, so I decided to make the move.

I had no idea if I was going to like Bentonville. I didn't know what it would be like working in a large company. I had no idea if you could have the kind of influence an involvement that I was used to in a company that size, and really just said, "I'll go there for a couple of years. It'll be great on my resume, a great career builder, and then we'll just see." And 15 years later – it will be 15 years in August - I'm still here. I've not had a minute to take a breath. I've had more directional changes in my job than anybody could have ever imagined, and growth that I never could have dreamed of.

RM: Let's go back to when you started doing development at Sam's Club. What was that like? What were your early responsibilities? Obviously the move to Bentonville had some changes associated with it.

LD: Two different questions – both very different, and big adjustments to go through at the same time.

At the point in time that I moved to Wal-Mart – today all of our systems folks are part of a single organization – but at that point in time, the Sam's group was actually part of the Sam's organization. So instead of sitting with the rest of the systems team, I actually sat over in the Sam's building, and reported to Dan Phillips who was my director at that time. He reported to Al Johnson, who was the President and CEO of Sam's. There were great learning experiences. I knew that business which was wonderful. I knew the wholesale club business, but to get to sit with the members of the business is a lot of fun. The bad news is that we didn't get to take advantage of the synergies of this wonderful IT organization that was supporting all of Wal-Mart.

So I guess it was probably a year we were in that mode, and the company realized that was not the right thing to do. We moved back into the IT organization, but I stayed in involved with the Sam's business, and again had the breadth, the involvement with the entire breath of applications. So whether it was tracking memberships or it was tracking inventory or ordering merchandise, I was able to be involved in all of that, deal with the business. And we did a couple of acquisitions during that period of time. We did the Pace Club acquisition so that was kind of fun. I did that until 1994, and then I actually moved into the part of the organization that supported the Wal-Mart business.

Moving to Bentonville was an adjustment for me. Fort Wayne was the smallest town I had ever lived in and it's about a little over two hundred thousand people I think. I had lived there and Indianapolis, Dallas and Houston. So moving to a very small town was very different. I actually moved to Fayetteville, which is where the University of Arkansas is. I liked being a little bit distant from the home office. I liked the atmosphere of a college town, living in Fayetteville. It's beautiful country. The people here are incredibly warm and friendly, and that culture has continued to grow. There are so many people in this area who have moved from somewhere else that it tends to be the first question when you meet somebody. You don't assume that they're from here. You ask where they are from and when they moved here. And I think as a result, people are very open to someone when they move into the area.

My brother, my younger brother, my baby brother, had just gotten out of the service. He moved here with me and went back to school. And since I have an older sister and brother-in-law who have moved to the area. My mother lives here, and I have a niece and her husband and children who live just north of here. So it's been a wonderful area for the family.

RM: You must have some conflict however with your support for the Hoosiers and the Razorbacks.

LD: (Laughter) Trust me there is no conflict. And anybody who works with me knows you root for the Hoosiers first. I like to keep pictures of Bobby Knight in my office just because it's an icebreaker. It creates conversation.

RM: It sets the record straight right off the bat.

LD: That's right. They all know.

RM: So tell me a little of the scope of your responsibilities when you became CIO of Wal-Mart stores.

LD: Just to give you a view of what I was doing immediately prior to going into that role. I had responsibilities for the international systems. So again, one of the blessings was beside the fact that I got exposure to all the Wal-Mart businesses around the world, and got to meet wonderful, fabulous, fascinating people. I really had a good view of the breadth of what was going on in the IT organization because I dealt with all the components, from infrastructure to all of the development teams.

To be honest I was surprised when they asked me to take this job. In Wal-Mart we sometimes make these moves in probably a different way than other people do. I was planning on going to China on a trip with John Menzer. We reported into our CFO at that time, Tom Schoewe, he caught me on a Friday and said, "We need you to be in town next week. I've talked to John. We've cancelled your trip. He's fine with that. I can't tell you why, but I just need you to be around."

I actually went back and talked to Kevin Turner who was the CIO at that time and said, "Okay do you know anything?" And he said, "I have no idea what's going on." So of course you don't sleep or eat- and I thought maybe it was another acquisition to be honest. On Monday night I get a call from Kevin who said, "I need you to meet Lee Scott at the airport tomorrow morning first thing. You're going to fly to Kansas City." I said, "Okay, do I need to bring an overnight bag?" And Kevin said, "I have no idea." So bright and early I showed up with a bag just in case. I figured it was safe to have one. If I didn't need it, I didn't need it.

It was just Lee and the pilots on the plane. And Lee who is usually very friendly and outgoing, and I wouldn't say he's chatty, but this morning all he said was, "Good morning." At one point he said, "Do you have any idea why you are flying to Kansas City Dillman?" And I said, "No sir I don't." And he said, "Hmm. Well if it doesn't work out I'll give you a ride back." Which is Lee's sense of humor, you have to know Lee. Then he worked his crossword puzzle the entire trip. Later he told me, "I couldn't say anything to you because I was afraid I would give it away."

So we landed, the security folks meet us at the airport, they drive us to the convention center and they walk me into a meeting where Kevin is sitting there with Tom Schoewe, who is our CFO. Kevin, whom I have known for a pretty long time, and is a pretty expressive guy, I could tell something was definitely going on because his face was red. So I sit down, and they said, "Linda, Tom Grimm has decided to retire." Tom was the CEO and President of Sam's. "We asked Kevin to go take that role." Kevin had no idea until like an hour before this conversation. "And we would like you to take the CIO role." And I really, truly was surprised. There's this huge, wonderful job, but I was also going, "This is a lot of responsibility. Am I ready to take this step in terms of responsibility and personal commitment?" So I sat there - and Tom Schoewe loves to tell this story – I sat there for a few minutes and then I looked at Tom and said, "What happens if I decide not to take this job?" Well they had never considered that. They had no backup, no other options they had talked about. And Schoewe just said, "I don't know. We don't have a backup." So I said, "Okay. I guess I'll take it." And I turned around, walked out of the building, got back into a van, drove to a plane, flew back to Northwest Arkansas, and then for 3 days couldn't talk to anybody about it until they announced it.

RM: So that answer earned your flight back?

LD: It earned my flight back.

RM: What were the challenges like the first few weeks and months after that?

LD;   Part of it is transitioning. In any organization it's just transitioning from a peer to a leadership position and then establishing that. I think it's the same in any job, that first hundred days they talk about, is really looking at the organization. I had the blessing of stepping into an organization that was very well run. It was not broken, and I knew the organization very well – but how do you take the organization and decide what are the areas you now want to take to the next level? How do you define what your vision is going to be? And then it was just really establishing the relationships with our internal customer base. I had some external exposure. Not certainly as much as Kevin had. So I knew it's important for Wal-Mart's CIO to be somebody that is an influencer in the technology world, that I needed to start building those relationships. So I made a lot of phone calls, and got to get to know a lot of people in that period of time.

RM: You had the experience of development. You had the experience of international so you were grounded well in understanding what business wanted, did that help you?

LD: Absolutely, and having the blessing of understanding the business, and I had fairly strong relationships with my internal customers in the business. There were a few that I didn't, but I had worked closely with John Menzer in international, and I supported that. I had even worked with Lee Scott and some of his team years ago in the Sam's environment. I'm not above leveraging all those relationships. I think they make you successful.

RM: What do you think your greatest achievements have been as CIO of Wal-Mart?

LD: The team I have - I guess had - although I keep telling them I never leave a team behind. I just always consider them mine. I have the most amazing team I think that anyone could ever be blessed with. They have continued to take an organization whose top world-class, and make us better. You can look at the things that we build for our business. You can look at the way the team operates. We had 99.997% availability across the enterprise in our systems.   I have not found anybody to benchmark that number against. And we do it with an amazingly efficient team. They are a top-notch team.

RM: Wal-Mart is considered a fast mover in retail technology. Your tech budget is larger than many businesses, what process do you use when you decide what to implement?

LD: Everyone speculates the size of our budget. I still think it's much smaller than most of my peers – in Wal-Mart style. And to be honest, in very few cases were we a significantly large customer of a technology provider. So I think our leverage came more from the way we worked with them, and the solutions we were able to build together, and what they could do with those as they went forward.

We've always decided how we were going to spend our technology budget based on what the business needs were first. We start with a problem or an initiative, and then we start figuring out what technology is best suited. And we've been lucky to be able to work with great technology partners, and in many cases, helped to create some of that technology that we needed to support the business. That zero-based budgeting, all focused on the business initiatives really allowed us to skip some of the spikes, the valleys and peaks that occurred over the last 10 years, than other companies in terms of their budgeting and their process. We've been straight-line growth on our budget. We manage it slightly less than the growth of the company, and every year we are able to add value to the organization.

RM: So this sounds like no technology implementation for technology's sake. So tell us a little about how that becomes a major factor in aligning IT and business?

LD: We don't do any technology implementations for the sake of technology, and we don't let our team go off and start talking about blue-sky technology. All the discussion has to start with the business. So whether it's an infrastructure team, if it's the people who support our data lines, and we've done a lot of work in that space, they start with what the business requirements are.

If we needed to upgrade our communications in the store, our upgrades were because we were going to support a digital business - downloading photos, and music and video, or whatever that might be, we had to have a much bigger throughput bandwidth to the stores – it started with the business requirement. They are all too busy. They have too many things on their plate to have time to look at anything that's not going to solve one of those business problems.

RM: One of the business problems that come up over time are things that are beyond our control, things like what happened with Hurricane Charley. You learned something from that, and then you implemented some technology that helped you when Katrina happened. Can you tell us about that?

LD: I can remember it as clear as if it had happened today, because we all happened to be at one of these year beginning meetings when Charley hit. We had dealt with a lot of different storms and natural disasters over the years. One of the things the company is very strong at is this sense of urgency, quick response. To be honest, we man handled a lot of those. People will respond very quickly. You could put a lot of resource on things and get it done.

I don't know if you remember when Charley hit there was a major communication blackout that occurred over a pretty wide area. We had a very large number of stores, and people, and more importantly our associates; we had no idea of the status of those people and those facilities, and couldn't find out. We're talking about more than 100 stores. I think that caught us all off guard. We ended up having a lot of different teams all trying to figure this out. Wal-Mart's style is, everybody is empowered to go do it. So you had the IS folks. We had people on the ground. We had our suppliers who had people in the area trying to find things out. You had our loss prevention groups, our replenishments groups, our operations groups, but there was no coordination of effort. As we started trying to understand what the impact looked like, everybody had slightly different numbers on what they looked like. So we finally, in this convention center, built a little mini emergency operations center. We installed screens, and we put in computers, and on the fly built some real rudimentary systems to get everybody's information together and start tracking it so we could at least see what the reality looked like.

When we got through all that we said we couldn't ever do that again. So we built tools that let the stores and everybody associated with the stores tell us what their status is. They have places they can all in, and if they can get to any kind of PC they can tell us, and all the information is collected together. During Katrina it let us track individual associates. We knew every single associate if they were accounted for or not. We slightly tweaked it to also start saying okay, where could you know about an associate? Well if an associate used their discount card in another state, then we would know where they were. So we started pulling in all of that information to account for people. We needed to have an easy way to see what was really going on. It also freed all of the Wal-Mart people up from that business of doing the tracking, to be able to focus on actually getting things done in the area that was affected. So it gave us more resource to do that.

RM: Tell us about the RFID initiative that so much has been printed about.

LD: When I started in this job I had heard a little bit about RFID. I had some reading, and I started immediately getting questions from the executive team. So I went out and started doing my own research. I looked at what was going on with the Auto-ID Lab. I talked to a lot of suppliers. I talked to my business partners inside Wal-Mart, and really what we saw was that the technology had the potential to really change retail in a significant way, and certainly our mind has not changed on that.

We saw that the work done by the Auto-ID Lab was very well done. It was research work, and as a result there were lots of segmented initiatives, but there was no clear focus that everybody was agreeing on that, this was the first step. There were lots of small trials going on in diverse areas, but not one single focus. We saw that the big technology players were watching. They were there, but they were really on the sidelines. They weren't investing. It was the small companies that were doing the research and development. And it felt like to us, for that to become a reality in enterprise solution, we needed some of those larger companies to get involved.

Then I heard from the suppliers was, "To be honest, we're waiting for somebody to make the move." I had one very large supplier say, "You just need to tell us we have to do this." Which, we tried not to do in quite those words, but if you look back in retail technology, bar codes, whether it's bar codes or EDI, it happened when a group of retailers made that step. So we sat down inside the company and said, "What is the right focus? Where do we know where we can get a benefit today? And what is the request we are going to make of our suppliers?" And that's where we said, "Okay we're going to tag cases and pallets, because we know the technology is not ready for items, but we'll get a benefit from seeing what's happening to cases and pallets. And let's talk to our top 100 suppliers. They are companies that invest in technology. They are very savvy users. Most of them are engaged in this somewhere". And we said, "Let's do it in about a year and a half."

When we made the first announcement, I actually was another one of those probably being too naïve. I had no idea it would get the reaction it did. We did it internally at a supplier summit first, but then at a retail systems conference in Chicago. And they had to move the presentation to a larger room. It actually ended up standing room only and turning people away. And the next day it was in all the magazines. I was totally caught off guard. I had no idea it would get the attention it did. So we had to learn about okay, now what does that external communication look like? And you had a lot of people who said, "Yes, this is absolutely the right thing to do." Then you had a lot of people who were going, "No, no, it's too fast. It's going to cost us." And all of a sudden I had to deal with politicians, or got to, I should say, deal with politicians, and privacy advocates and health care groups, and I learned a lot.

The key thing that stuck through all of that was, by taking the step, by working closely with those top 100 suppliers, by working with the technology suppliers, and because we really, we stuck to the belief that we started with, which was the technology was going to work, and our focus was right – it moved.

RM: Are there lessons learned from being the leader in driving RFID and IT in retail to a new position now?

LD: Whether I would have planned it this way, I think what happened in RFID actually played a role in them asking me to move into this position, because in my new position, health care for Wal-Mart, certainly benefits is always going to be something we focus on at Wal-Mart. Health care as a country, is someplace where Wal-Mart wants to be very, very involved. And all of us technologists, and I like to talk to a lot of CIOs about this already, believe that technology can play a very significant role in changing health care in the United States. Things that we as an industry, most of our industries, have done for decades, so whether it's bar codes or EDI, or you know, even some RF equipment, most of the health care industry doesn't have today. So I think that's a role I'm going to play.

I also have sustainability, which is trying to help the environment. I said jokingly, "You want me to fix health care in the United States, and the environment in the world. When I am done with that, what's next?" It's huge!

Most of the exposure I got on our RFID was positive. This will be much tougher for me because people are very polarized. It's a very personal, emotional issue for people, but I think I am better prepared to go listen, talk to people and see if we can't start bring together groups who have common missions.

RM: What do you see are your biggest successes as CIO at Wal-Mart as you now move on to another position?

LD: Well I will always say the team, and I talked about that before. I think moving your team, taking a great team and moving them, continuing to move them forward is something to be proud of, and that is the legacy, that's what going to take the division forward. The fact that they were selected by Information Week as the "Team of the Year," was a great accomplishment. I'm very proud of the team and what they have done in RFID, the leadership role they played. We have also done some key things in other places in technology in terms of some mobility solutions with suppliers, and that's been very exciting.

RM: How did you feel when you were named to the 50 most powerful women by Fortune last year?

LD: Actually this was my third year on the list. So the first year, I got the phone call from one of our folks in corporate communications. I was actually at a condominium on a lake about 150 miles form here. I was on vacation and got the call and it was another one of those, "You can't tell anybody." I was shocked. I couldn't believe they would have selected me. When you look at the list of women it's, they are amazing women, all with very significant accomplishments. It's very humbling to even be anywhere near the list.

One of the most exciting events they have every year is when they have the conference for the Fortune women, because you go into this environment and everyone you meet has had a major, significant accomplishment somewhere, and you just feel unworthy. But it's amazing. It's an amazing experience. The thing that makes me most proud of being on that list is how it represents the company and my team. But I am representative of Wal-Mart women. I am not an isolated event. There are a lot of very strong influential women at Wal-Mart and you are seeing more of them surface every single day. We have all worked very hard to contribute to the success of this company, and to earn every position we have.

RM: At the Computerworld Honors June Gala this year, there will be hundreds in the audience. They are going to see your acceptance speech, thank you for that. What advice can you give to those folks in the audience that are IT management struggling with pitfalls in their quest to use information technology to better our world?

LD: You know there is a philosophy I have. I recently read a Harvard study. It's always nice when you find a study that reinforces your personal belief. I guess if you look at enough studies you can always find one that will do that. They were looking at CEOs who were successful, and really trying to determine if they were successful because they had better vision of what was going to happen in the future or not. And as they looked at the CEOs who were very successful versus those who were not as successful, actually what they found was that their vision was not better, but they were hugely optimistic. And because they believed in their vision, they could inspire people to go accomplish it. So they didn't really necessarily see the future better. They created the future better.

RM: So the key is seeing that goal ahead of them so they have time to innovate?

LD: That and it's approaching everything with an attitude that it can be solved.

My team in ISD will cringe if they see this, but there's a clip from the movie Apollo 13, I used to tell them if I could just run it on a loop track in our building, I would. It's a conference room scene, but it's where the astronauts are trapped on the other side of the moon. They're in this pod, and they've got an issue with an oxygen scrubber. They don't have the right part that they need to be able to insert a new oxygen scrubber. So this man pulls together a bunch of engineers in a conference room. He walks in with a box and he throws the contents on the table and says, "We need to make this fit this, and we have two hours." And they did.

And the message I always give my folks is, if you had given that same group of engineers that problem in a non-critical environment, it would have probably taken two years and millions of dollars to develop a solution, or they would have found that they couldn't. But because they had no time to consider failure an option, they wasted no energy on how hard it was or, can we do this. They focused everything they had on creating a solution, and they knew somebody was going to die if they didn't – they were successful.

If you can approach your own IT problems the same way, and even motivate your people part of the time to only focus on how they are going to do something - not if they can - you will just accomplish amazing things.

RM: There are a lot of books and conversations about IT, but there's little about IT leadership. What does IT leadership mean to you?

LD: IT leadership, several things come to mind. The most significant factor in IT and what's going to happen always comes back to the people. So I think there's a significant role all of us play in developing the next generation. And certainly for the first time in a big way there's a lot of bleed over between consumer technology and enterprise technology. So I think we're influencing not just what's going to happen in companies, but what's going to happen in our homes. And the next generation has to be even more focused and integrated with the business and lifestyle of their customer than we ever have been. So I think that's a key role.

Part of the leadership I think that most of us have to play too is helping refine the direction in the industry. There are so many places that technology can occur, and it's so easy to get sidetracked by the cool, fun stuff that's not going to make a difference anywhere but it's just cool. I think that's part of our leadership role.

RM: Define leadership in general from Linda Dillman's point of view. Is it learned, innate, both?

LD: I think it's both. I used to believe that I could teach anybody to be a good leader. Now I think there is a certain sense you have to have of other people, and then you can learn the rest. It's not a book learning though. It's a learning by watching great examples, and having people walking you through the experiences as they occur.

RM: Another great leader, Jack Welch, in a recent book has said, "Leaders make sure that people not only see the vision, they live and breathe it." How do you feel about that statement?

LD: It's so true. For those of us who aren't patient by nature too I think it's more difficult. I'm certainly not patient. Anyone who knows me will tell you that, but understanding the vision yourself is one thing, but creating it and then articulating it in a way that the people in your team understand it, and then repeating it over and over again, so that it sticks, so that it becomes their mission, their vision as well as yours. And that they understand the whys behind it, not just - this is the mission - is really critical. It's got to be consistent. You can't have a new vision every six months. It's got to be the same vision for a sustained period of time.

RM: Innovation has been so much of what you have done during your tenure here at Wal-Mart. Tell us about your beliefs in what innovation is, the definition, the traits of an innovator, what it takes to have more people be innovative.

LD: Wow, because I don't know if I thought of myself as an innovator. I think it goes back to a couple of things I already said but mainly problem solving. I like to believe that there's not a puzzle I can't solve. So when you start with a business issue, and we're doing this today as we're looking at health care by the way, you start if you will by inventorying all the things that you know about, or you have heard about, or people that you know that might know things, and then you start collecting information and participants to see if you can't figure out how you take all these different pieces and put them together into a new innovative solution.

As a leader, creating people that do that, the biggest thing is for them to believe they can actually innovate and create something. So a lot of it is putting them in the situation, and just saying, "I know you can do this, and I'm right here with you, but we're going to do it, and we're going to do it in X period of time." Once they have their first success, then most of them get the bug, and they love the process themselves.

RM: Jon Swartz at Sun Microsystems said, "We're entering an era in which people are participating rather than just receiving information…" Do you care to comment on that?

LD: It's a great question and it's something that I'm a huge believer in, especially in today's environment. There is so much data and information that is available, that I think all of us as technologists have to focus on, and ensure that the delivery of the information is actionable. It's something we've done for a long time in the stores and not as well in other spaces. We built storage systems and we wouldn't let anybody put in a solution if they couldn't define the exact action somebody was going to take as a result of what they were going to deliver. I think the same thing is going to have to be true, and again, we're talking about consumer space, but as we flood business partners and we flood consumers with all this information that's available, it's going to have to be condensed into things that actually make sense, that people need at the time they need them, and that they can take action with.

RM: Almost 20 years ago, Edward Demming had a rather strong statement, that it's not necessary to change, survival is not mandatory. How do you think that relates to the age we are in now, with everything you have done, and where you are going in the future?

LD: I always tell people that I'm probably a bit of a change junkie. I love the new challenge. I love learning something new. And I think for most people, once they get comfortable with change, the period when you are at your best, is when you are going through change, because all your senses are awakened. You're thinking with parts of your brain you probably don't use the rest of the time.

But we're seeing this in a broader perspective - and I'll probably start getting philosophical on you so you can stop me when you want - if we look at the concerns we have in our country, even if we look about what's happening with jobs moving, change is what this is all about. There is such opportunity for us to take a leadership role certainly in technology, and a lot of knowledge workspaces. That is going to require as a country that we embrace that change. We can't hold onto the way we used to work. And the same thing is true about individuals.

RM: So do you think that the issues and the challenges ahead are technological, or are they sociological?

LD: I believe they are primarily sociological, and the nice thing about the technology field is so many of the key people are very involved and committed to key issues. They are not just about selling technology, and I think that's why you see so many of our leaders involved in education, and involved in creativity and innovation and teaching people in the United States how to do those things.

RM: So especially now with the position you are going to and what you are coming from, what are your hopes for humankind? What do you think this IT revolution, which you have spent so much time in now, can achieve as you go forward in your new position?

LD: Especially in this new role, and I have two big buckets. The first is the one we call health care. And I learned just in the last few days by the way, that my benefits and health care role include this area we call health and wellness, which is not about how do we pay for your doctor's visit, it's about how do we help our associates have healthier lives, which is huge. And then there is sustainability, which is about the environment. I think technology can have a big, big impact on both of those.

I think a lot of what limits the movement towards healthier lifestyles is lack of understanding and training. The lack of availability of information – the things that you and I can get to – there are huge numbers of Americans who can't, on a regular basis. And we all have the opportunity to impact that in our own way. So if I can, this is almost a call to arms to the audience, right? We can all make a difference in this space. And the same things in terms of giving doctors and nurses and the people in facilities better information, better tools, so they can spend more of their time taking care of patients, and less of their time dealing with paperwork and records and tracking things down.

So, certainly in health care, in sustainability, technology again is going to help educate people. New technology is actually bringing us the solutions to some of our environmental issues. So whether it's alternative fuel sources – whatever those might be – again, technology is what is going to take us to the next level.

RM: Your passion for your position in information technology is obvious, and your passion for your new position already is – so Linda Dillman will have a legacy from both these positions and your career – how do you want to be remembered?

LD: How do I want to be remembered? I would like to be remembered I think by what you just said – as somebody who had a passion about these areas, and was able to apply that passion in a way that made a difference.

RM: There's so much more that you have to do in your career, by the look on your face; the passion that you were talking about is so evident. Linda thank you very much.

LD: My pleasure!

RM: Linda Dillman, the 2006 EMC Information Leadership Award recipient of the Computerworld Honors Program.

LD: Thank you.